Christmas Edition

THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

December 21, 1946

THE SPIRIT & THE TIMES

AN EDITORIAL

Chiang Urged To Curb Jingoists

By C. Y. W. Meng

Japan's Textiles Reviving

By C. H. Wong

Importers Irate Over Restrictions

By S. E. Shifrin

NEUTRALITY, U.S. STYLE

AN EDITORIAL

VOLUME 104 PRICE CNC$800 Number 3

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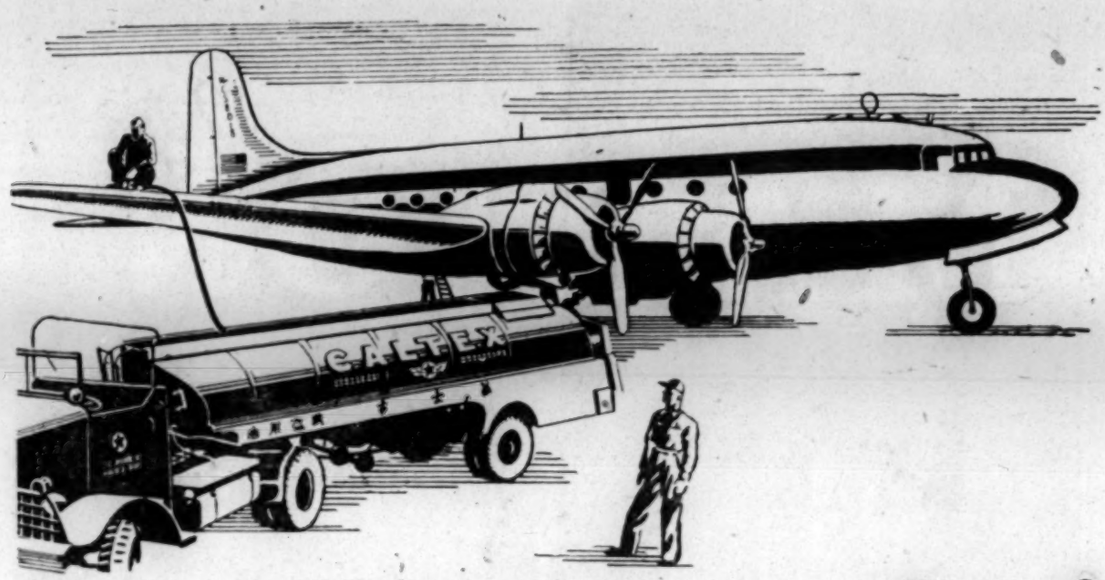

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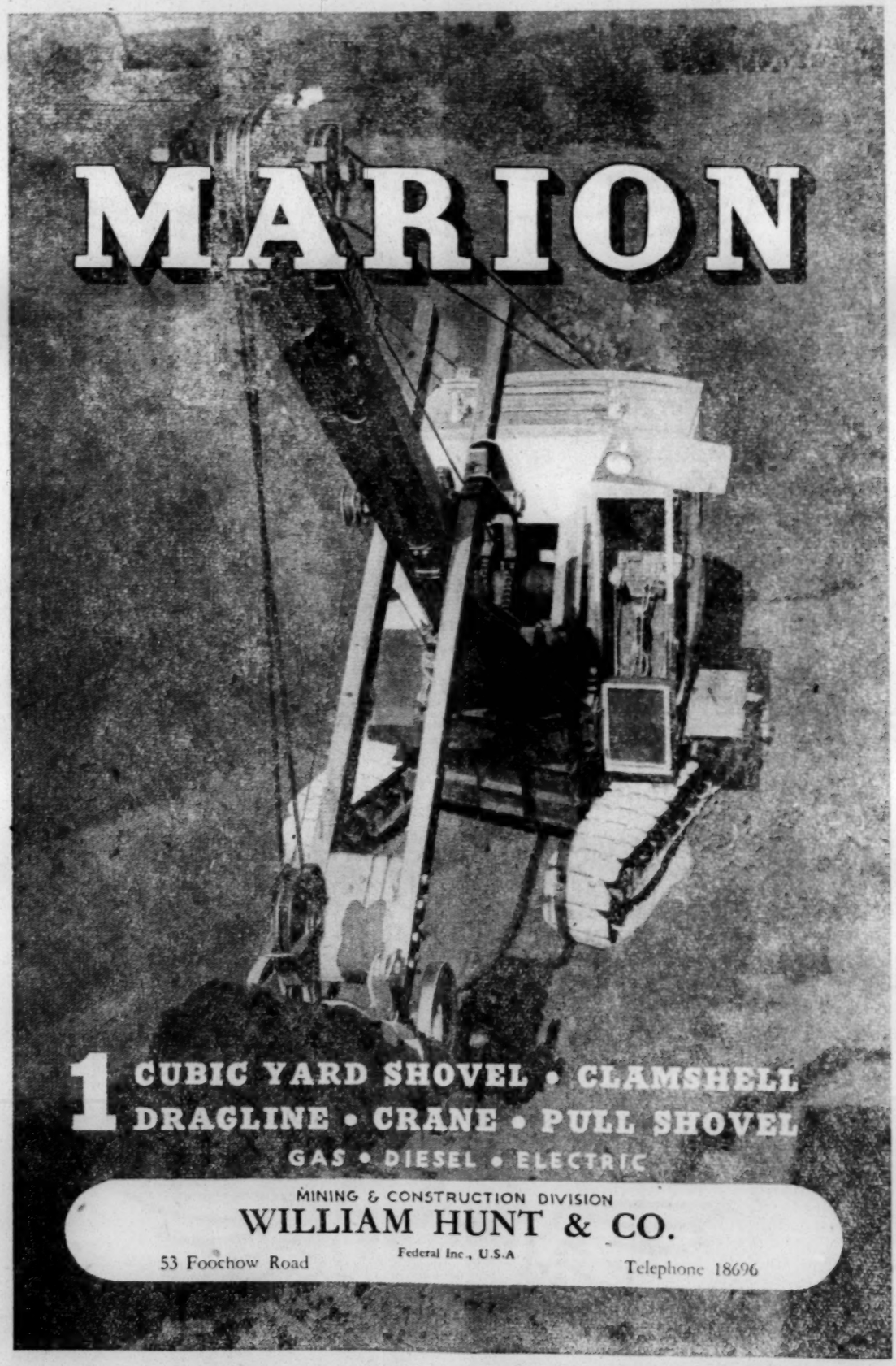
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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Friends Of Tojo

To The Editor:

Mr. John W. Powell has described that Hongkong is now a city of refugees, Miss Anna Ginsbourg regards the Colony as a slumbering volcano, ready to erupt at any moment. A few months ago Dr. James B. Chang told us some inside stories about the reign of terror created by Tai Li's men. The doctor also pictured to us that this British outpost was being used now as the battleground of Chinese fascists and Communists. He specifically pointed out that a policy known as the Far Eastern Munich was pursued by Downing Street, as the United States is supporting a nationalistic and jingoistic Kuomintang.

All these descriptions appeared in one issue or another of the *China Weekly Review*.

The *China Mail* and *South China Morning Post* often published letters from their correspondents naming Hongkong as the paradise of collaborators. Fatty Lau, alias Lau Kwing-yan, convicted of collaboration with the enemy and sentenced to life imprisonment by Justice T. J. Gould of Hongkong's Supreme Court on December 6, 1946, declared: "Other greater traitors are quite free in Hongkong but we small constables have to be tried. More than 95 percent of Hongkong's population during the occupation had to work for the Japanese for a living. I cannot see any reason why only 100 odd of us should face such a trial."

According to the amnesty order announced early in April, only those whose information to the enemy resulted in tortures or deaths would be prosecuted. This pardon relieved from criminal responsibilities members of the Chinese Representatives' Council, Indian Independence League and others who amassed huge fortunes by supplying the enemy war materials and secrets of their respective states.

Many of those exempted were and still are men of means. They acquired more houses, concubines and negotiable instruments when the Mikado was supreme. They displayed their wealth and prestige in hotels, theaters and carbarets. And they are still so displaying. While men interned and prosecuted by the Kempeitai are unable to earn the living they deserve, such rich and powerful collaborators find their friends among members of the Legislative and Executive Councils for the lifting of the moratorium on the houses they purchased in the occupation days with their ill-gotten wealth.

It is against such collaborators that the public is crying out. It is a hopeless task, for such collaborators are closely linked with the Colony's vested interests who are in reality in control of Hongkong. The British are few and are satisfied with being able to muddle through.

The International Tribunal in Nuremburg has held that those who violated international law cannot invoke international law in defense. This new development in international justice does not apply to Hongkong, which is controlled by interests that benefit by protecting collaborators detrimental to those loyal to the Allied cause.

It is, however, very plain that the British have no intention to extend such protection. As most of them were ill-treated by the enemy, they are rather anxious to see all co-workers of the Japanese punished. Yet they have been forced to do otherwise.

As one of your correspondents said, there are at least three leading collaborators who are still very wealthy and influential in Hongkong. They were personal friends of Isogai, Tojo and Tanaka. They are now headlined as bigwigs of the Kuomintang.

I. L. KING.

Hongkong,
December 9, 1946.

THE CHINA WEEKLY REVIEW

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John W. Powell, *Managing Editor*

Assistant Editors
Chih Fu-jen
Urii Sdobnikov
Fang Fu-an, *Financial Editor*
Marion Barney

Contributing Editors
Lin Wo-chiang
C. Y. W. Meng
Edward Rohrbough
Ben Y. Lee
Leo Rissin
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Correspondents

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S. E. Shifrin	—	*Tientsin*
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NRM Prospects

To The Editor:

We have been dull, miserable, hungry, almost like dead men for about 10 years now. How happy are we suddenly to have the opportunity to read Mr C. Y. W. Meng's special article in your November 23 issue! It enlivens us as effectively as a cure-all. We bravely say that it is much better than the Kuomintang or Communists.

Many people know that the majority of the KMT members are squeezers. They are not officials and officers; they suck the blood of the people just like vampires or leeches. They put all the Chinese people's gold and silver bullion into their own pockets and fill China with FAPI. They are just bandits.

And many people also know that the CP members are ignorant, cruel and rude persons. They only know how to loot the Chinese rich people and give some of the loot to the poor. They do not know how to teach the people to be producers and to be civilized. They are just bandits.

We honor and respect Mr. Meng and his comrades who want to start a new revolutionary movement. Their principles are not only good for China but can probably be used for the whole world. It is true that "China must change or die." We also surely must abolish feudalism, racialism, bureaucracy and monopolistic capitalism. We must combine Eastern and Western thought. We must levy property and profit taxes more than other kinds. We must form, as Mr. Meng said, a "Threefold Labor Union" comprising industrial laborers, farm laborers and literary laborers, and they must be above party or religious interests. These suggestions are very good indeed.

As we are laboring people, so we especially dislike religious people: Taoists, Buddhists and Christians. They eat, but do not sow; they wear, but do not weave; they reside, but do not build. They only cry daily to their Heavenly Father to give them bread. They are just ingorant consumers.

Mr. Meng is very kind, wishing to advise Dr. Hu Shih to remain non-partisan and without government post, devoting himself to the promotion of new thought and new movements such as NRM. At this point we remember one Mr. Tsao who used to write you. One letter in your September 21 issue said, "Whoever wishes to be a ruler should follow great Yu's (大禹) purpose: if a person is hungry it is caused by me, if he suffers from cold it is due to my inability to clothe him, and if he becomes a criminal it is my fault!"

If the present KMT and CP knew that quotation they would not persist in maintaining their private profits at the expense of treating their countrymen like slaves and enemies. They know not whence comes the money for their fight. Though the cease-fire deadline was published a long time ago they continue to fight. Chiang Kai-shek said that in five months he could conquer the CP, but the other day Chu Teh claimed "Chiang Kai-shek can never conquer us!" You see how brave they are. We, however, believe that if America wants China, with a few atomic bombs she can conquer them both.

Dear Editor, we wish to be members of the NRM. We wish to follow Mr. Meng, saying, "Our most powerful weapon is not the gun, but our pen." Kindly let us know their address.

A FEW PITIFUL CITIZENS:
YIEN TA-YU,
CHANG WAN-HSING,
CHEN TZE-MIN & OTHERS.

Chiating Hsien, Szechuen,
December 5, 1946.

Appeal To Old Warriors

To The Editor:

China is on the verge of collapse. With our "sacred" National Assembly being convened at Nanking, both the KMT and CP keep the ball of civil war rolling. (It is inconceivable that anything really benefitting the people will come out of the Assembly under the 'roaring of guns). It is quite obvious that our country cannot endure one more war at a time when the eight years' anti-Japanese war has just ended. If the current civil war goes on unchecked, the fruit of eight years of bloodshed will be lost instantly and once lost, it never can be got back.

At this unprecedented critical juncture, when there is the last hope to stop the civil war, we would appeal to the CONSCIENCE of our government leaders and ministers to surrender their prejudice and unite in one front to save China from extermination.

Several decades ago, many of our party leaders and ministers, under the brilliant leadership of Dr. Sun Yat-sen, did take part in the revolution with an undaunted spirit to overthrow the then corrupt and dictatorial government of the Manchu dynasty. In spite of repeated failures, they continued on the struggle and won the final victory, which, undoubtedly, will go down in history as a most glorious deed. They did succeed in overthrowing the Manchu dynasty, but failed to establish a strong, new China. Since then, 35 years have passed in incessant chaos, civil wars, disturbances and social unrests. Some of these revolutionists retired or died, but the majority of them remain to control the government and have become the ruling clique today. We appeal to the CONSCIENCE of these old Warriors and hope they will wake up again and make new sacrifices for our country and stop the civil war before it is too late, and do so even at a fearful cost, which will be greatly appreciated by the people. All these Old Warriors are devout followers of our Founding Father, and we believe, as true followers, they will not forget the last words uttered by our Founding Father on his deathbed: "Please, struggle to save China." It is up to you, the loyal followers of our Founding Father, to materialize at this very moment what our Founding Father eagerly hoped for on his deathbed. You may complain that the Communists are insincere, but you should be sincere both in words and action in the first place. If you show them that you are eager for peace and have no intention to annihilate them by guns supplied by Uncle Sam, the CP, as Chinese, will certainly respond favorably and a harmonious agreement will be easily reached between the two opposing parties.

Should the current civil war be finally brought to an end, the people would, with copious tears and open arms, welcome the long cherished peace. Then, the people will be able, with concerted efforts, to rebuild our country from the ruins. Ministers and party leaders! It is you who can and must bring to an end China's tragedy, and by doing so, you will not have no compensation. Your action not only is in line with our traditional statemanship, which will, to be sure, win the acclaim of future historians, but also will be remembered by many generations to come. Future historians will write that your wise and far-sighted decision is the turning point of Chinese history. Ministers and party leaders! Don't hesitate any more and take the initiative to stop the disastrous civil war at any cost.

C. K. TSAI.

Taipeh, Taiwan,
December 13, 1946.

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Prisoner Of Reds

To The Editor:

I would appreciate it very much if you will be so kind as to permit me space in your esteemed paper for the publication of the following article.

"....What more shall I say about this? I am now confined here. Every minute I am afraid of being caught and being put into the world's hell—prison. You may be surprised to hear this word "prison," but here really we are all familiar with this....."

This is an excerpt from a letter addressed by my former schoolmate who happened to be returning to his native town in North Kiangsu (Communist-held area) more than a year ago and has been compelled to remain there as the "authority" found that he was not "clear-minded." All the things happening to him sound very interesting and you will hardly believe that such things will often be found in the so-called "liberated areas."

My schoolmate is a college graduate and is very good and competent in his learning. One year ago, soon after his graduation, he paid a formal visit to his parents in his native district, where he intended to take a rest for several months before coming back to Shanghai. The wheel of time was rolling around day and night and it was soon approaching the eighteenth day of September. This was the day when more than a decade ago the aggrandizing Japanese militarists took Manchuria over into their own pockets. Considering him as an intellectual member of the society, the Communists asked him to deliver a speech before the large gathering in the mass rally held under their auspices. It was extremely funny that the topic my friend would go on with was strictly assigned by the "Authority" and that was "What are the people at present wanting?" My friend, being very outspoken and frank, began his speech with the word "Democracy," for he thought that to speak before the Communists one should always bear on one's lips the word "Democracy." He said "Democracy" means a system or procedure through which the common people should participate in the process of government. "The people should have the freedom of speech, of press, of religion and so on ....." "Whenever and wherever we find our letters censored or our speeches designed by certain factor, we will not likely be in a position to say that we have democracy....."

So went on the meeting and after its conclusion he was called to a Communist officer to receive "instructions" woven up with harsh and wild words.

"You are not qualified to be an intellectual since your mind is not very 'clear,' to put it plainly, not 'correct.' You are required to remain in this town and go nowhere else. We will later on let you know what's wrong with your thinking."

"Yes, Sir, but would you please tell me what's really wrong with my mind"? inquired my friend.

"Stop here! You will know yourself later on," was the reply from the Officer.

So ended the whole thing and my friend is still staying in his native town.

Dear Editor and readers, what do you think of it? This is the tragedy my friend confronts for the moment, but, I think there are still thousands of others who receive the same fate under the hypocritical rule of the Reds. I am a non-partisan, just a common man, being uninterested in politics. I should like to bring before you all the facts. In my friend's case, I would like to ask the Communists:

(1) What do you Communists really mean by the word "Democracy?" Is it that Democracy means the assignment of speeches and the censorship of letters?

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(2) You say you covet Democracy, want freedom of speech, need freedom of press and publication. But in the above-mentioned case, where is the freedom of speech?

All these have made me feel that I should like to write you, Dear Editor, for public information. I am fervent in my hope that the Communists may find some ways to change their "course" so that they may be able to win the hearts of the general populace instead of only the bodies of those they rule.

A NON-PARTISAN.

Shanghai,
December 15, 1946.

Mulberry Seedlings

To The Editor:

Regarding an article appearing in your esteemed periodical sometime ago referring to the subject of distribution of Japanese mulberry seedlings, which was carefully undertaken by this Corporation, we found to our surprise that there was a mistake. After a careful investigation we found your charges that some of the seedlings were placed in the black market were not true. For your reference, we submit a summary on the distribution of the seedlings, in which you can see for yourself that this corporation has been most careful in discharging its responsibilities in this connection.

We shall appreciate it very much if you will kindly publish the enclosed summary that your readers may have a better judgment of our undertaking.

KINTSON KEH,
General Marager, China Silk Corporation.
Shanghai,
December 9, 1946.

Summary of the Distribution of the Japanese Mulberry Seedlings (Spring—1946)

I. A total number of 2,0000,000 Japanese mulberry seedlings arrived at Shanghai in the latter part of March, 1946. On inspection, the delay had resulted in that:

(1) *Only a little more than 1,340,000 seedlings were fit for distribution.*

(2) *600,000 seedlings, which were very tiny and damaged, might only be distributed after careful transplanting.*

(3) *56,000 seedlings were among those dead and missing.*

II. Places distributed:

(1) *The larger-sized ones were distributed to the sericultural institutes and experimentation stations in Kiangsu and Chekiang.*

(2) *The medium and smaller-sized ones were distributed to the cooperatives, farmers, and the egg production plants in Kiangsu and Chekiang.*

(3) *The tiny and damaged ones were transplanted and cultivated in our nurseries for distribution next year.*

III. Conditions and quantities in distributing the seedlings:

(1) *235,000 seedlings of larger size were distributed without charge.*

(2) *1,109,500 seedlings were distributed after collecting a small amount for packing, transportation and miscellaneous charges.*

(3) *600,000 very tiny and damaged seedlings were transplanted in our nurseries.*

IV. Summary of the income and expenditure accounts throughout the distribution:

(1) *CNC$18,929,550 was received from the various charges.*

(2) *CNC$23,687,557 was spent in distributing and transplanting.*

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(3) CNC$4,758,007 *was supplemented from the China Silk Corporation's account to balance the difference between the income and expenditure.*

Plans, But No Action

To The Editor:

In this country holding meetings, planning, and inspection are enterprises especially valued by the government authorities. No practical works are done.

Let me take the agriculture-improving project, for instance. Field experimentation or technical work, generally speaking, requires experienced experimenters and technicians. Yet it is customarily performed by those who have just come out of the doors of a university. As though this kind of work were mean, higher qualified personnel or foreign-returned "Doctors" despise it. They sit all day long on chairs putting down plans on paper, or travel by airplane, train, automobile to inspect everywhere.

We often read in the newspapers of such missions as "The Yellow River Repairing Mission," "The Northwestern Agricultural Inspection Corps," etc. They draw up their plans on the basis of figures; after inspection, they also publish a great many figures. They do so as if they were very scientific, but actually these piles of figures are pulled out of the minds of the officials; there are no traces of truth to be relied upon. However, it is strange to say, no one ever pays attention to this disadvantage.

The atmosphere of reconstruction sufditoriums, the bureaucrats' statements as fuses the offices, the rostrums of auif we were truly on the way to "driving ahead," (向頭趕上) as Dr. Sun Yat-sen taught us. It said recently that at Nanking an Agricultural Extension Meeting is to be held. We guess there will be a great many solid figures reported and plans given birth. Such assemblages are always being held in this country, year after year. The spirit of foreign countries is not like this!

Recently the local newspapers published a series of produce yield figures. In these figures it indicated how many piculs of wheat and how many bales of cotton are due to the effects of improved seeds, the extended use of fertilizer, new implements, irrigation, and so on. These figures as a rule are fabricated, so we have no interest in quoting them here. This fabrication will have no result other than of making the Government put heavier burdens on the shoulders of the Shensi farmers; the agricultural authorities by this method may make a favorable impression on the Government.

We are told that the Government has replaced the Japanese agricultural control with two cotton-improving bureaus, in North and South China. With these two as centers, subordinate offices are being set up in the provinces. We can not prophesy now whether they will be successful, we only wonder how the business of these offices differs from that of the cotton sections of the provincial agricultural improvement institutions. This is typical of the confusion of organizations in China. It is said in ridicule that Chinese executive organizations are put "roof on roof and bed on bed." Some organizations are even created intentionally for some special bigwigs or their relatives. Is this picture overdrawn? No, there are countless facts to support us.

Construction plans are as numorous as bristles. The Central Government has published a Three Year Plan and a Five Year Plan. We do not know whether these two plans are separate or the former is a part of the latter, or the latter is an extension of the former; when it is to be put into effect or when it is supposed to be accomplished, even the authorities of the Executive Yuan, it is

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known, cannot make head or tail. We, the common people, of course, have not the slightest understanding of it.

In this province, Shensi, the future is obscure; at present the authorities have worked out a Six-Year Plan, and the Eighth Executive District has published a Three-Year Plan. In this extensive area with its numerous organizations, plans, big and small, are being poured out of the offices annually by the scores. The contents of these plans have no unified principle, nor are they adapted to local conditions, not to speak of their impracticability. They are only used to impose on the "foreign devils."

Reasonably speaking it is necessary to hold meetings and to discuss plans to be put into effect; inspection is the necessary forerunner of planning; and the plan is the standard of fulfillment. In order to make progress in reconstruction, no plan should be neglected. But the Government is jealously concentrating her whole attention on these three phases, and putting practical work out of their minds. So far as it has gone, reconstruction work is built of dreams. How mournful bureaucratic politics are!

C. R. RICHARD.
C. Y. GEORGE.

Wukung, Shensi,
November 28, 1946.

Identity Guarded

To The Editor:

Your Review is a sort of forum for public opinions and violent criticisms of the Chinese Government. To protect themselves, naturally, your correspondents use noms de plume. Will you kindly enlighten me on the following points:

(1) Who opens all the correspondence addressed to "The Editor?"

(2) Do any other persons on your editorial staff read the letters besides yourself?

(3) Who keeps all these letters after they are published?

(4) Do you retype the letters or do you hand them as they are to your printers?

(5) Have you ever been approached by any Chinese official to reveal the identity of your correspondents?

(6) In case you are approached by an official, how will you act?

(7) Now that extraterritorial rights no longer exist does your American nationality give you immunity?

(8) Do you believe in the freedom of the press?

(9) Do you not believe that your editorial comments and your publication of violent attacks on the Government from your readers will not bring you into disfavor with the Government and make you a person liable to expulsion from China?

I would appreciate your answering the above questions because I find your publication frank, bold, outspoken, informative, constructive, educational and impartial. As a result, opinions are freely expressed in your correspondence section.

The Chinese Government has won the hatred of the common people who are neither pro-Kuomintang nor pro-Communist. These people are peace-loving folk who have suffered much in the Sino-Japanese War and who used to look forward to a bright future and who used to have infinite faith in their government.

What has their government done for them? The Chinese Government is composed of many people who are interested more in their pockets than in the welfare of the people.

Following are a few of the things the Chinese Government has done:

(1) As soon as the Japanese surrendered it sent "Take-Over" officials who took Chinese properties seized and

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occupied by the Japanese. Some these officials returned, some they did not.

(2) Its army officers and its civil officials occupied private buildings without so much as a "by your leave," and refused to pay rent.

(3) The government has passed more taxes than the poor Chinese people can bear. I would mention only those that I have personally experienced and hope your other readers will supplement what I do not know of and have consequently left out. There are: Capital Tax, Stamp Tax, Sales Tax, Profit Tax, Income Tax, Import and Export Tax, Shipping Tax, Wine and Tobacco Tax, Sugar Tax, Amusement Tax, Food Tax (in restaurants), Police Tax.

(4) The Government has enforced conscription in peace time because more soldiers are needed to fight the Communists.

(5) Government monopolies have been created.

(6) The Government has gone into competition with private business. For example, the China Merchants Steam Navigation Co. pays no taxes and is not molested by other government organizations like the Water Police.

(7) The dollar has been devalued and exchange controlled. The Chinese merchants have come to distrust the Chinese dollar which gets smaller and smaller every day. It is hard to buy foreign exchange because the government wants to restrict imports. Very soon all importers will have to close. If the foreign traders become disgusted, they can take their money home and establish a new business, but where will the Chinese traders go?

(9) Most of the highways are still unrepaired. City streets are full of holes and ruts. Ruined buildings are still in ruins. The poor are homeless but few seem to care.

(10) The people have no civic rights. The officials are mighty and the officers are even worse. Can the people who are wronged get redress? Where? How?

(11) The cost of living keeps going up. What has the Chinese Government done compared to Hongkong where the British Government rations rice, sugar, flour, butter, etc. and even wool so that Hongkong citizens may be warm in the cold season. What has CNRRA done with all its free supplies from the United Nations? What portion of these supplies are really applied to rehabilitate China and relieve the poor and suffering. Many of the hsiens convert their allotment of rice and flour into cash to balance their budgets. The poor and destitute get nothing.

Day by day the people get more and more discontented. Everybody grumbles against the government. Anything may happen, unless free trade is re-established, the cost of living lowered and the common people given a livelihood.

It is foolish for the Chinese Government to hope to crush the Communists, for every Communist that is killed a hundred will come to take his place. Present conditions make China a good breeding place for communism. The people are tired of the Kuomintang and would probably like to have the Communists take over the government of China, just like the Republicans in the U.S. are replacing the Democrats.

AN AMOY READER.

Amoy, Fukien,
December 7, 1946.

(The foregoing letter, which presents the views of one of the Review's readers, brings up the questions of freedom of the press and the handling of "Letters to The Editor." Because of the frequency with which we have been asked these questions, we are replying to our reader in this week's editorial columns. Our views will be found on page 69.—EDITOR).

And Lo, The Envoy

To The Editor:

Referring to the article entitled "Overseas Chinese" in your world-famed Review of June 29, 1946, I desire to make the following corrections on the substance of the statement, which was a total fallacy.

The real truth is that we are today face to face with the problem of China's equivocal policy on her own centuries-old, adopted and legalized "jus sanguines" policy for persons of Chinese nationality residing abroad.

As things stand today, each one of us is in a battle of "dual-nationality, creed, culture, and custom." A war waged to maintain the freedom of thought, freedom of belief, and freedom of communication for the sake of one resolute purpose—the purpose to unite with China. Had it not been for this purpose, the people would have abandoned their faith, culture, custom, and even changed their names and surnames. I think that it is a war of all wars waged that concerns human beings more directly and more demonstrably because it is related to "patriotism," not seen before in any of the great wars of the world which were the products of "mistrust" and "jealousy." We are asked today to declare ourselves positively either "Chinese" and therefore "aliens," or natives. This, and this alone, is a problem that should be solved by China and not by the people, whose espirit de corps has never abated but strengthened. I must, however, in candor say, that we ourselves have been embarrassed by the fact that China cannot save her people from becoming strangers to her. For generations Chinese emigrants, like the concentric rings that spread over the surface of the water, dispersed from the central point (China) and have become lost in the distance. I

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see no reason to assume that China is obliged to sit with folded hands.

I come now to the point of the people's life-and-death struggle for equality. What the people need is not equal representation with the natives, as is supposed by the writer of the article in your weekly; their fight is merely for equal footing as enjoyed by other foreign nationals. We wish to be on the same level as other foreign peoples, but not to enjoy the same political rights as the natives. We fight to defend our privileges which have been granted by the Dutch Government.

In summarizing the positions of the Chinese abroad, especially in territories where civil war and political disputes are taking shape, I regret I have to reject the honorable gentleman's allegation that it might amount to an attempt by China to form extraterritorial rights for herself in Java if she would land troops on the island to protect her helpless and victimized people. At this point, give me leave to ask: Has not China witnessed how foreign powers protect their people at critical times? Where then, is the duty of a government to its people?

The mass massacre at Tangerang has long been heinously organized and supported by Indonesians of all walks of life. A considerable part of Chinese villages was devastated, inconceivable savageries had been perpetuated in obedience to the so-called doctrine of terror.

I would wish to say in the first place, that so far as history shows itself, no appeasement policy proves advantageous. Think of Chamberlain's popular appeasement policy in times past, think of our own life-and-death struggle against the enemy's invasion, did our appeasement policy against the ignoble Japs help us to a final victory? And observe that it is equally important to ascertain what steps are to be taken to put to an end the hostile attitude of the Filipinos, Indo-Chinese and Siamese against our people in the respective places. The British razed Sourabaya for the loss of one Mallaby, the Australian Government sent their judges for the loss of two officers, and consequently no more British or Australians are badly treated. China sends her special envoy, and lo, the Indonesians receive him cordially enough by butchering another 300 innocent souls. This Mallaby, probably feels satisfied with his government's retaliatory action, and so too, with the two Australians. This definition, of which I sorrowfully record my narration, is neither cynical nor pessimistic, but suggests some somber observation.

LAUW THIAN HOK.

Batavia, Java,
November 29, 1946.

What Results?

To The Editor:

I read in the November 16 issue of your Review a letter written by "A Returned Man" in reply to P. Y. Wang.

I admit that most of the returned students are well trained and well versed in their own lines. And from statistics I have learned that for the last hundred years there has been an exodus of Chinese students abroad to study modern science, and that this movement is still continuing.

According to the letter of "A Returned Man," China ought to be an improved and advanced country by now. But the situation is just the opposite. What scientific, research, industrial, political, economic, educational and military improvements have we? Everything seems backward, and whose responsibility is it?

I challenge Mr. "A Returned Man" to answer me.

A SAILOR.

Shanghai,
November 20, 1946.

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Affaire d'Honneur

To The Editor:

Consequent to police attempts to solve Kowloon's hawker problem, the Hongkong Government now faces an issue that threatens to become diplomatic. The Hawker Incident contains nothing spectacular. Virtually the same thing happened in Shanghai recently, it was a case of the police versus the hawkers. The cause is simple: millions have come to the big cities to find employment. Some get into honest occupations, such as hawking and, others get into disreputable work, such as robbery and pickpocketing. Here begin the police's troubles for which they are paid by the community: to preserve peace and order. Just as robbers and light-fingered gentlemen disturb the peace, unlawful hawking interferes with order. And, with rough police-handling, as is frequently the situation the world over, a case was born.

The case for the authorities is that the police should enforce law and order, leaving rough-handling to a separate category to be appropriately dealt with and punishable by the law. The case against the authorities is that the police have no right to beat, much less to kill, unarmed hawkers who endeavor to earn an honest living under difficult circumstances. It is most undesirable that such a case should be permitted to develop. However, it must be realized that much of the emotion and sentiment aroused were the work of newspapermen, who perhaps, did not realize that in China, printed words are regarded as divine and accepted without question. There have been cases when the newspaper was the main dynamo for mass emotion and hysteria. It was learned that a special committee had been formed at Canton to direct a boycott against Hongkong so that Hongkong steamers would not be loaded or unloaded by Canton laborers. It is futile to predict who would suffer more by the boycott, should it be put into effect. It would be sufficient to say that both would suffer, as a pendulum of course is bound to swing two-ways. There is every reason to believe that, if there is no political backing, the threatened boycott would end in a fiasco.

Viewing the foregoing broadly, the case does not merit enlargement. But, as evidenced in the recent Shanghai's hawkers vis-a-vis the police, one must not lose sight of the fact that every little conceivable provocation could be capitalised by sinister quarters to their advantage. A little spark is sufficient to ignite a wild-fire. Doubtless too, there is a fair bit of underlying dissatisfaction amongst the Chinese vis-a-vis the British, and Wong Sui Cheong's death happened to reflect it. This should be sufficient hint for the British to take note that, despite internal ideological, political and military conflicts and unprecedented nation-wide economic and financial chaos, the average Chinese Dicks and Toms do not forget that eight long years of bloodshed and tribulation have made them one of the Big Five and that they are entitled to regards and respects, especially from their former comrades-in-arms and now UN fellows. Herein lies a divergence of opinion. The British view it as a Hongkong local case, while the Chinese, presumably a minority, view it as an "affaire d'honneur." Any sensible observer would realise that an amicable Sino-British relationship is the keystone for peace, prosperity and stability in the Far East and Hongkong should never be allowed to be a stumbling block to that end.

Y. L. KONG.

Chungshan,
December 10, 1946.

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The Spirit and The Times

FOR five long years the world awaited the coming of a truly peaceful Christmas. And last year that Christmas came. But it was not the Yuletide which the world had imagined. Almost everywhere the tables groaning under the spread pictured in the mind's eye melted into bareness, and often enough there was no table at all. And in many a city and hamlet the Yuletide lights were absent, and sometimes even the stars were blotted out. That was Christmas 1945, the first Christmas of peace.

But hope springs eternal in men's hearts. Christmas 1945 might have been forgotten. But there was still Christmas 1946. That Christmas, the second Christmas of peace, would be, had to be, different.

It is here. It is in China, and in Britain, and Germany, and in Russia. It is everywhere.

* * *

AND so too is hunger and misery and starvation. The spirit is great, but the impact of the times are greater.

Over half the world's area, the great aftermath of war is all too evident. The armies are no longer poised for attack. But they have not been dismissed. They are at ease—in watchful preparedness. That is Christmas 1946.

In Germany, Japan, Italy, Poland, Korea, Yugoslavia, Greece there is starvation, the starvation which sometimes makes a miserable end preferable to an endless misery. Hunger stalks the land, and in its train the grim reaper, ever on the alert, ever ready to chalk up new victories in a world of hunger that knows no relief, and of misery that ends at the riverside. That is Christmas 1946.

To the elderly people, who can still remember the Yuletide of old, there is still some spark of hope, some memory of times that are gone but may return. But what of the children? What can they believe in? To them there has never been a Christmas—and for all they know there may never be one. All they can feed on is the memories, memories told and retold by their parents. And just as the children of yore had their doubts about the existence of the legendary Santa Claus, so now the children doubt the existence of Christmas itself. That is Christmas 1946.

* * *

BUT Christmas was not meant only for the rich, the well-fed and happy. Christmas was also meant for times such as these. It was in such times that He for whom Christmas is celebrated was born. It was in such times that the first communicants celebrated the feast.

And it is because men must go through such times that Christmas will continue to be Christmas. It is because of our adversity today, that we shall cherish the Christmases of tomorrow in a new, strong, prosperous world. That is the message of this year's Christmas. That is the message which we forgot.

* * *

THE future is still dark. But it is as the intensest darkness at night—the darkness before the light of dawn. It is the darkness that makes one believe that it will never be light again, that darkness has conquered, and conquered for good. And then, when one has lost almost all hope, the first signs of day begin to appear.

And so it is with us. We have kept up our night's vigil. Slowly the roseate greyishness of dawn is beginning to appear. We must wait in the most excruciating wait of our lives, the wait before the sun of peace beats darkness into final submission.

Christmas 1946 has not brought all the joy and happiness which we would have desired. But for all that, with all the misery and fear and hunger rampant in the world today, we are nearer understanding the true meaning of the Yuletide feast, and are nearer our final goal.

The road is yet a long one. We are only beginning to tread it. But we have made a beginning. That is what counts.

Just as the first Christmas was a Christmas in poverty and self-denial and hardship, so is ours. And just as times were to change, and give Christmas a new meaning, so will our future days be different.

Nice Solution

According to the board (National Association of Real Estate Boards) president, Boyd T. Barnard of Philadelphia, the nation's shortage of 3,000,000 homes is "political buncombe," and "one way to relieve the housing demand immediately is to get rid of rent control."....If rent ceilings are lifted, Mr. Barnard points out that persons with low incomes will be forced out into the hall and persons with more money will then find plenty of room.—*Washington Daily News.*

To Our Readers

And Advertisers

A Merry Christmas

Neutrality, American Style

WE received this week the most complete "expose" of America's fantastic post-war activities in China which we have seen to date. Published in New York by the left-wing Committee for a Democratic Far Eastern Policy, which says that America and the Kuomintang Party are crucifying the Chinese Communists, the facts, nevertheless, disclose a policy of confusion, dishonesty and double-dealing which should make most Americans thoroughly ashamed of their government.

While we cannot agree with the Committee in putting it all down to a sinister American plot to enslave the Chinese people, we agree that the machinations of our officials are both dishonorable and dangerous. We would attribute it to the fact that unfortunately we have a man of somewhat limited abilities residing in the White House who has surrounded himself with a group of mediocre "yes men" who, like himself, are incapable of recognizing the seriousness of the situation in China. These men are blundering from one pitfall into another, both on the home front and abroad, and, among other things, have been stampeded into a state of alarm by our military men who wish to see the American flag flying from one side of the world to the other.

The carefully-documented statement lists virtually every gun, ship and plane turned over to China during and after the war and, along with contradictory statements made by officials from the president on down, presents a picture of unbelievable confusion and hypocrisy.

A few quotations from this release are worth noting:

"On August 21, 1945, after Japan's surrender, President Truman announced that all lend-lease pacts were to be discontinued. But he himself broke this promise. On November 15, the President announced that Lend-Lease to the Nationalists would be extended....

"On October 10, 1945, Lt. Gen. Wedemeyer announced at a press conference in Chungking that the U.S. would not transport any Nationalist troops to Manchuria. However, on December 22, 1945, it was announced that the U.S. 7th Fleet had carried General Tu Yu-ming's armies to Hulutao....

"In the latter part of March, 1946, Lt. Gen. Gillem, acting commander of American forces in China, announced that no more than five Nationalist armies would be transported by the United States to Manchuria. However, by June, 1946, the U.S. had transported eight Nationalist armies and 12 regiments of engineers into Manchuria."

In addition to these and other contradictory quotations from various American officials, the Committee lists an amazing amount of equipment shipped to China's armies *after V-J Day*. The list of aid, which reads as if it were General Eisenhower's shopping list prior to the Normandy invasion, makes it clear that America is not going to have to worry about what to do with the equipment left over from this war. Further, it makes understandable a statement a British friend of ours made a few days ago when he said that Nanking's armies today have more fire power per division than any European army had in the second World War.

The Committee's summary of *post-war* Lend-Lease says:

"According to the *New York Times* for September 27, 1945, of the US$500,000,000 worth of American surplus war materials in the India-Burma Theater to be sold to China, US$150,000,000 worth of arms, including 700 planes, had already been turned over.

"According to a report on Lend-Lease by President Truman, between V-J Day and the end of 1945 the Nationalist Government received US$602,000,000 worth of Lend-Lease materials, including vehicles worth US$68,000,000 and US$50,000,000 worth of ammunition.

"The United States has, in addition, made several grants to China for the purchase of surplus materials. A US$150,000,000 grant was made on July 30, 1946. A US$825,000,000 grant for the purchase of surplus war materials in the Pacific Islands was made on August 31, 1946. Because of the under-evaluation of surplus war materials, these two grants have an actual value of at least US$200,000,000 and US$2,000,000,000, respectively.

"Two loans are known to have been made by the Export-Import Bank. One is for US$560,000,000. According to the *Wall Street Journal* for November 29, 1945, two-thirds of this loan will be spent by the end of 1946. The other is a US$67,000,000 cotton loan, according to a U.S. Information Service bulletin for September 12, 1946.

"Two hundred and seventy-one warships were given to the Nationalist Government in July, 1946.

"The above is an incomplete estimate of U.S. military and financial assistance to the Nationalists. *The Nation* of August 3, 1946, estimates in an editorial that total assistance since V-J Day amounts to US$4,000,000,000."

The breakdown of this US$4,000,000,000 is entirely too long to reprint. However, a few particular items are worthy of attention. A complete list of Nationalist armies both trained and equipped by the United States reveals 22 armies, consisting of 57 divisions having 707,000 men. In addition, there are several armies which were only armed with American weapons, but which did not receive training. Also not included are the numbers of aerial and naval cadets already trained and being trained. Since Admiral Barbey announced on December 6, 1945, that a naval training school had been established in Tsingtao, it has graduated three classes, each consisting of 1,000 men. More than 1,000 naval cadets were trained in America between V-J Day and July, 1946. The program is still going on. According to Gen. Chou Chih-jo of the Aeronautics Commission, between V-J Day and February, 1946, the Government sent 2,000 air cadets to America. He said the expense of the program was being paid through Lend-Lease.

Since V-J Day, according to the Committee, the American Government has set up a Naval

"LOOK OUT, SKIPPER!"

Training School in Tsingtao, an Automobile Training School in Nanking, a Signal Corps Training School in Kunming, an Engineering School in Kunming, Paratrooper Training Schools in Kunming, Nanking, Canton and Hengyang, a Special Engineers Training School in Chungking, an Air Force Training School in Hankow and an Air Force Academy in Chengtu.

The pre-surrender schools, including a Staff Training School, an Infantry School, an Artillery School, an Automobile Training School, a Sino-American Mixed Air Corp Training School, two Sino-American Cooperative Army Training Schools and Five Sino-American Special Training Corps, will be continued.

This entire program of military aid to the Nationalist Government raises several important questions. How does President Truman, who has ordered this entire program without even consulting Congress and despite the fact that Congress has not voted *one penny* of aid to China since the end of the war, reconcile his acts with his, Marshall's and Byrnes' endless and somewhat tiresome statements about how we are taking no sides in the civil war and that our aim is a peaceful, unified China. Obviously he cannot be so completely stupid as not to realize that Nanking will use this equipment to fight the civil war. What, then, is his objective?

While we are not particularly impressed with the quality of Washington's thinking these days, even the stupidest of Truman's advisers must be able to see that the more aid we lavishly bestow on Nanking, the stronger the position of the Kuomintang right wing becomes. An unarmed man often will not tackle an enemy, and will certainly think it over first. Give him a gun and he loses his hesitancy. Give him two, and you can't stop him.

While we will not even attempt to reason why we blithely continue a Jekyl-Hyde performance in China, issuing statements resounding with ringing, democratic phrases and at the same time handing out the arms for a civil war, we will pass on one of the conclusions reached by the Committee: **"American imperialist elements are unscrupulously assisting (Nanking) to fight the civil war, hoping to hasten the degradation of China into an American dependency."**

We will refrain from commenting on this statement, leaving it for President Truman. We only suggest that it is time for the American President to clean up this unholy mess and explain to his employers just what he thinks he is doing.

The Legal Mind

The Headquarters of the Hangchow Military Zone has issued telegraphic orders to cease manhandling and roping of able bodied men who have been escorted at gun-point to conscription centers.

In future, if such cases recur, and as soon as evidence is available, the escorts will be severely prosecuted, in accordance with law.—*Shun Pao, December 9, 1946.*

What law?....

"Letters From The People"

ONE of our subscribers, in a letter published in the "Letters From The People" columns of this week's issue, has asked us to tell him how we operate this column and has also asked for our views on freedom of the press.

The handling of correspondence addressed, "To The Editor," has always presented a certain number of problems to editors in all countries. It is through such letters, and their publication in a space reserved for them, that the editor, and the other readers, learn what the reading public desires to see and what it thinks of the editor and his paper. The "letters" section of a newspaper is the real "voice of the people." Many a wrong has been righted and many abuses called to public attention by readers' letters.

Likewise, the publication of such correspondence entails a certain amount of risk on the part of the editor. When a newspaper covers a story itself, it employs a trained reporter who may be relied upon to get all the facts and to get them straight. Oftentimes the editor is able to check one reporter's story against another's. In the case of letters from readers, who cannot always be depended upon to have obtained all the facts or to have them straight, there is the possibility that the paper may be publishing an incorrect story. Likewise, there is the off chance that some crank may perpetrate a hoax upon the paper and the readers.

However, experience has shown that the "Letter-to-the-editor-writing-public" usually has as great a sense of responsibility as any other section of the community and, enjoying the correspondence columns, does not abuse them by writing letters containing frivolous or untrue statements.

In virtually all countries there have been celebrated cases in which action against papers was brought because of statements contained in readers' letters. Tyrannical officials have attempted to suppress such columns, just as they have attempted to muzzle the press in general. However, through the years, in the democratic Western countries the press has won the right to publish letters addressed to the editor without revealing the names of the writers. This is now considered in the same light as a reporter's right to refuse to divulge his source of information.

In China, where the operation of a newspaper is somewhat more difficult than it is in America, these essential freedoms of the press have not been clearly established, despite the Central Government's order that there shall be

freedom of the press. Local officials, piqued by editorial barbs, or "special interests," irritated at exposure, often interfere with the press in an illegal manner.

Since resuming publication after V-J Day, we have only once been approached by an official inquiring as to the identity of a reader who complained about this official's bureau. Needless to say, we explained that such a revelation was impossible and finally convinced him that, much as we would like to accommodate him, we could not show him the letter. However, we did offer to write to our correspondent and tell him that the official in question was looking for him so that if our correspondent wished he could get in touch with the official. We further offered to pass on any message on behalf of the official.

Since there has been at least one attempt in Shanghai to secure release of original copies of letters to the editor of a paper by force, we naturally assume that the same objective might be attempted by guile. We, therefore, have our own system of handling letters from our readers which we feel protects their identities adequately.

Obviously we believe in freedom of the press and are in whole-hearted accord with Generalissimo Chiang Kai-shek's decree last year repealing the war-time emergency press-control measures. In due course, we believe, press freedom will become a "habit" here as it has in other countries and instances of local interference with the press will become less and less frequent and finally disappear. In this connection, we think that increasing participation in public affairs by the people and increasing influence of the press will eventually force the removal of the last remaining press restrictions such as pre-publication registration permits, etc.

In speaking of the press, we are referring to the press in China as a whole, not just to the foreign-owned, foreign-language section. Upon resuming publication last year, we obtained an interview with a responsible official of the Ministry of Information whom we questioned rather closely about the publishing business. He assured us that the foreign press in China would receive exactly the same treatment as the Chinese press. This, we feel, is as it should be. We wish to operate under the same conditions as our Chinese-language contemporaries, being the object neither of favoritism nor discrimination.

We feel that if in the future we continue to pursue the same course we have followed in the past there can be no sound objection to us or to what we say by any responsible elements. As long as we attack only what we honestly feel is wrong and exercise what we feel to be good taste and morality in the selection and handling of news, we feel we are rendering a service which all must recognize. Despite the fact that we are supposed to be well trained in our profession, we are only human and are certainly far from infallible. When errors are called to our attention, or later developments prove us to have been wrong, we are always prepared to make quick and adequate apologies, and, so far as is possible, rectify our mistakes. Those whom we criticize always have the right to answer us if they so wish. We are always willing to grant equal space to our critics, as well as to those who wish to air conflicting views.

As long as we pursue such a policy we feel that we are making our small contribution to the community and that only the irresponsible fringes of the groups who do not agree with us may wish us ill.

Habeas Corpus Is Here

HONGKONG, Dec. 12—(UP)—Canton police and troops rounded up 3,000 persons suspected of Communist leanings in a four-day raid of Chinese homes in the city. The suspects included students, teachers, journalists and civil servants, all of whom are lodged in jail. Pro-Kuomintang papers maintained that it was just "illegal elements" being cleaned up.

Idle Capital & Idle People

A DIFFICULT winter was predicted by Wu Kai-hsien, Social Affairs Bureau Commissioner here, when he urged "mutual pardon and cooperation" on both sides when reckoning time comes this Lunar Year. He advised creditors not to compel debtors to liquidate their debts in as much as "creditors may be debtors too," and both sides would collapse.

This none too comforting thought is further rendered unpleasant by the fact that creditors may also collapse in case the debtors don't pay up, whereas in the event creditors take a strong stand, only people in the red will suffer. Any way you look at it, this is going to be a most difficult winter.

Likewise raised by Mr. Wu was the question of confidence, which, he said, was "still an important factor in business transactions among our merchants," according to the *Chiao Sheng Pao*.

Well, winter is here, and the Social Affairs Bureau, according to Mr. Wu, will "help those honest people who are in the habit of hiding their poverty, while working hard to eke out a living." Naturally, those who are immodest enough to exhibit their poverty are not entitled to any of the CNC$400,000,000 which the Bureau "will set aside."

After reading this statement of Mr. Wu's, we came across an item in the *Sin Wan Pao* which asserted that there is CNC$200,000,000,000 idle money in this city. One way to use idle capital is to hoard commodities, but we know that this has become so unprofitable nowadays that speculators will insist on hoarding nothing but gold bars. This is indeed a sad state of affairs!

Another note in the *Shang Pao* tells us that CNC$50,000,000,000 has fled to Hongkong, while "bureaucratic capitalists have redoubled their efforts to send their wealth, amounting to US$1,000,000,000 to the United States."

While there is so much idle capital lying around or being used for speculation, the *Ta Kung Pao* says that Szechuen industrialists have petitioned the authorities asking for permission to place some orders with a French consortium for private factories, instead of allow-

ing this equipment to go exclusively to the Government. Their requests were rejected, the paper says.

CNRRA recently has sold the National Resources Commission large quantities of mining machinery, dynamos, and house construction materials, valued at US$7,000,000. It would be interesting to hear what portion of this equipment will be allocated to private enterprise which is eager to rehabilitate the country by using its idle capital and employing in the process a few idle men.

In the past, the local Chinese press has carried numerous appeals and demands of private industrialists, merchants and exporters for subsidies, loans and a share in the equipment which the Government has taken over from the Japanese and puppets, and more recently acquired from abroad. The satisfaction of these people has never been recorded. Today, it seems that the only people who dread not the "awful day of settlement" this Lunar New Year, are those who are connected with bureaucratic capital and government monopolies.

In these circumstances it would be reasonable for the Government to extend aid not to "those honest people who are in the habit of hiding their poverty," but to those who can be of service to China, by developing its industry, trade and natural resources and giving employment to millions. Those who need aid today are the private capitalists and industrialists, traders and exporters. Only they can rehabilitate the country, solve its economic problems by reviving its trade, and help the "honest people" by giving them employment.

It is fitting to add that the mere "setting aside" of funds will not do the trick. The country must return to private enterprise in every sphere of its economy if it is ever to rid itself of its idle capital and idle people.

Where There's A Will . . .

No one need die from destitution on Shanghai's streets this winter.—*Ernest T. Nash, of UNRRA, in a radio broadcast last week.*

Thirty-six year old Rudolph Pourich, homeless Lithuanian, was found early yesterday morning in a passage on Rue Bourgeat, opposite the Cathay Mansions, frozen to death.—*China Press, several days later.*

Import Restrictions

AT the time of writing more than one month has passed since the announcement of the new import regulations, yet up to the present no one (not even responsible officials) knows quite what is going on, or what the new procedure will be like. True, the scheme in outline is easy to understand. But just how it will work out in detail, remains as much of a mystery today as it did on the day of the announcement.

The entire scheme revolves around the desire of the government to limit all imports according to a quota system. Well, if the government wants it that way, then fine. But what are the quotas for each commodity. Several weeks have passed and there still has been no clarification on this point. Yet thousands of importers, both large and small, must know what the quota for their particular article or articles of import will be.

Then again, the government has refused to elaborate on what is meant by the term "Trade" as set forth in the announcement, which notes that all applications for quota allotments must go through the particular trade organization of which one is a member. What are the trades referred to. No one knows yet.

Much confusion has been created by the fact that the announcement came as a bolt from the blue, and by the fact that the scheme as decreed by the government was issued in a half-baked form. In other words, the entire affair had been worked out in theory, but the details were lacking—and to a large degree still are.

If the government desires to promote the interests of domestic traders, without putting them at a disadvantage to those of other importing centers in the Orient, it is obvious that the government should have presented a scheme that was workable from the very start, so that business could resume forthwith according to the new regualtions. However, the result of the announcement of the still somewhat undefined regulations has had the result of "freezing" all transactions with foreign sellers for about a month. How much longer this will continue depends on the government.

Nor should it be forgotten that sellers abroad are becoming wary of doing business with China. And the reason should be obvious. Bids are made by local dealers, contracts are signed, and then, perhaps, a few weeks later, the China dealer has to cable the seller to the effect that the foreign exchange issuing board has decided after all to turn down his application for currency. Nor is this idle talk. There have been cases where cancellations of allotments have been made after several weeks and there have been a few cases were cancellation came only after several months.

The obvious deduction is that the control machinery is beginning to bog down, and that errors are constantly being made. It seems to us that as the regulations now stand, there is an open invitation to certain unscrupulous merchants, as well as officials of the board, to take advantage of prevailing circumstances to further their own personal ends at the expense of importers at large. This, we believe, was not the intention of the government.

The only way to clear up matters is for the government to announce full details, and quota ceilings for the commodities listed. Further, a reason should be given for every application turned down.

Look Who's Talking

Schacht denied any knowledge of the bomb plot. He said that the explosions "were obviously a democratic protest against the Hitlerite measures of the Germans who want to try me again." Schacht, pounding his knee for emphasis, shouted from his jail cell: "The Germans are stupid. Fools. Criminals. Rogues. Hitlerites. Whoever heard of a man being tried twice on the same charges? This is not democracy. This is Hitlerism."—*AP dispatch from Stuttgart reprinted from New Republic.*

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EXCLUSIVE AGENTS

Season's Greetings

From

A. P. Pattison & Co.

IMPORTERS & EXPORTERS

9 QUAI DE FRANCE

A Couple Of Diehards

WE usually evidence not too much surprise when we read or hear of a foreign businessman who, returning to China in the post-war period, becomes so appalled at the economic and political chaos and who, unable to adjust himself to the new situation whereby China runs the show, leaves in disgust. However, we read with considerable surprise the statements attributed to a Baptist missionary and his wife who claim they found it impossible to work and live in China.

In addition to a petulent statement about how they could not even get to their old stamping grounds in North China because of the fighting, they were quoted as saying that foreigners in Shanghai get no protection from bandits and thieves and "if a foreigner accidentally gets into police hands they assume he is guilty until he is proved innocent."

According to press reports, they further stated: "It was possible to carry on missionary work in sections controlled by the National Government but under far greater restrictions than before the war. It was utterly impossible to carry on any sort of missionary work in Communist territory. One cannot even correspond with one's own workers."

While we are not in a position to ascertain just what calamities befell this couple during their post-war visit to our fair city, we must assume that they were visited by bandits and thieves and, what's more, when they complained to the police, were summarily jailed on suspicion of something or other. Since we cannot seriously believe this to be true, then we must conclude that they are merely peddling unreliable gossip which they heard but which they did not bother to verify.

While we have done our share of carping about the local police force, we have never said that they deliberately neglected foreigners and allowed them to become easy prey to bandits and thieves. Quite the contrary, we think that—possibly for the benefit of China's "face" abroad—they have afforded more protection to foreigners than they have to their own people.

Further, we have not noticed any particular discrimination against foreigners under suspicion of committing a crime. They've been a bit tough on a few foreigners, it is true, but it is also true that they have been just as tough, or tougher, on Chinese arrested on suspicion. A Chinese friend of ours died in jail (not in Shanghai, however) after being held nearly six months on suspicion of being a Communist. We've heard of no similar case involving a foreigner.

As for missionary work in Nationalist China, we have been under the impression that Generalissimo Chiang Kai-shek had issued a blanket invitation to all foreign missionaries, welcoming them back and promising them all possible aid. Perhaps the "far greater restrictions" which the aforementioned missionaries encountered are the same "difficulties" which we all encounter from day to day and which can be attributed to the general political and economic confusion prevailing.

While we again are not able to know precisely what our couple's experiences were with the Communists or whether or not they got any closer to Communist territory than bandit and thieve-ridden Shanghai, we happen to know of a couple of missionaries operating quite happily in Communist China. What's more, one of them is a Catholic priest!

While it is a shame that two such obviously misinformed and personally-embittered people are doing their best to paint conditions in China blacker than they really are, it is also our gain in that we, the poor foreigners who must live in this bandit-infested city where the cops are constantly jailing us, have probably seen the last of our missionary couple.

25 Years Ago In Millard's Review Of The Far East

Dec. 24, 1921.

Christmas Cheer

The Christmas message of "Peace on Earth, Good Will toward Men," finds perhaps a more fitting recognition at this Yuletide season than has been accorded in many years. During its period the diplomats of the leading powers of the world will be drawing near to the completion of their task at Washington—a task prompted by a desire for peace on earth and a closer brotherhood between the nations and peoples of the world. That starry ideal denoted by Christmas is leading men and the world on to greater achievements in the name of international tranquility each year and it is to be hoped that its steady march will meet with no more interruptions as witnessed the Christmases of the few years just past.

• • •

Return Shantung!

A parade of some 10,000 students, workers and others marched through the streets of Tientsin on Dec. 14. In the foreign concessions handbills were posted reading: "Return Shantung Intact" and "Cancel the Twenty-one Demands." A parade was also organized in the British Concession and permitted to proceed along Taku Road on its way to the Chinese City. It was made up chiefly of business men.

10 Years Ago in The China Weekly Review

Dec. 19, 1936.

Chiang Made Prisoner

The latest developments in connection with the Sian mutiny and the capture and imprisonment of the Generalissimo are the issuance of a government mandate to launch a punitive expedition against Chang Hsueh-liang and the appointment of War Minister Ho Ying-chin as Commander-in-Chief of the Expeditionary Forces. Other highlights of the week are:

Chang Hsueh-liang denounces Nanking Government and demands war with Japan.

Ten other government officials and army commanders detained at Sian.

General Chiang Kai-shek safe and unharmed, seen by W. H. Donald at Sian.

Fierce fighting reported in Shensi; Central troops pushing near rebel city.

Nanking dismisses Chang Hsueh-liang and decrees severe punishment.

Government to pursue same foreign policy as laid down by the Generalissimo.

T. V. Soong and Feng Yu-hsiang offer to go to Sian to mediate.

Whole nation pledges support to Gen. Chiang and denounces Chang Hsueh-liang.

Suiyuan invaders capitalize on Sian mutiny and launch fierce counter offensive.

Chiang Urged To Curb Jingoists, Halt Futile Propaganda War

By C. Y. W. MENG (孟長沐)

IN welcome of the delegates to the National Assembly, now in session in the national capital, an impressive military maneuver, in which infantry brigades and paratroopers, fully equipped with Lend-Lease weapons participated, was held in Nanking on December 8 before a record crowd. All newspapers in Shanghai of December 9 published vivid accounts of the military maneuver, and concluded in the usual manner that "all delegates were greatly satisfied with the show." But there is one item which was reported only by one newspaper alone.

According to the *Wen Wei Pao*—a paper which came into existence only a year ago but already has become a leading and most popular paper in Shanghai—each delegate, in addition to a pack of the American army breakfast ration, "was presented with a copy of *'Atrocities of The Chinese Communist Party.'*" Continuing, the *Wen Wei Pao* reports, "All delegates, while observing the military show, were also reading the pamphlet."

From another dispatch, in the *Shun Pao*, we know that the large quantity of American army rations distributed among the delegates came from CNRRA. According to the dispatch, "the distribution of these rations at one time disturbed the peace and order in the auditorium."

These two little items published in two leading papers could easily be overlooked by many readers. Nevertheless, we believe they deserve our attention. They explain at least partly *why* a peaceful settlement of the Nationalist-Communist issues is so difficult to reach.

CP's "Atrocities"

We don't have to go to Nanking, to get a copy of *"Atrocities of The Chinese Communist Party"* and go over carefully the contents to know that this is part of the "Propaganda War" against the Chinese Communists. We really can not understand the mentality of those who distributed the pamphlets. We can see no useful purpose in distributing such propaganda which could convince no one—and only worsen the feelings between two contending parties, already bitter enough, and aggravate the whole situation. We really cannot understand why the central authorities permit such activities to continue in the national capital.

Such sinister and subversive activities should be the more condemned in view of the fact that General George C. Marshall is making a desperate last minute effort to save China from an internecine and sanguinary civil war, and the Central Government is sending a delegation to Yenan in another attempt to resume negotiations.

It may be recalled that in the early stage of his mediation, the five-star general saw at once the necessity of stopping the propaganda war by both parties before any further step could be taken. We Chinese agree wholeheartedly with the General that without first stopping the propaganda war, there is absolutely no possibility of ending civil strife in China. This promise has apparently been broken by both parties.

CP's "Intrigues"

This is not the first time we have read a pamphlet of this kind. Observers from Chungking certainly will remember that ever since the "Fourth Route Army Incident" in 1941, when Communist General Yeh Ting was arrested and imprisoned by the central army, the propaganda war has been going on almost uninterruptedly. In some government offices in Chungking, we remember, small pamphlets with such titles as "The Intrigues of the Chinese Communists" were freely distributed among the government employees as "confidential matter."

Some people might read a few pages. Others might not care to read a line, knowing that it was a piece of propaganda. But the common people might read the copy with tears and a deep sigh, and say, most anxious and grieved, to one another "China's hopeless," their reason being that if the war against Japan was not enough to bring the two parties together, then. "For what else can we hope?" The writer of this article heard these words himself while in Chungking.

We believe the distribution of *"Atrocities of The Chinese Communist Party"* has created a similar situation. Some people might grasp the copy joyfully and triumphantly. Some people might never read it and simply toss it into the wastepaper, basket. But the common people might read it with tears and a deep sigh, and again say to one another, "China's hopeless!" This time, their reason is that if men like General Marshall cannot bring about peace in China, "For what else can we hope?" These people know that "God only helps those who help themselves." If China does not help herself, and the stupid obstinate party members want to go on with the bloody and fratricidal war, then George C. Marshall will not succeed.

In condemning such sinister, subversive and silly activities on the part of some people within the Kuomintang and Nationalist Army ranks, we are not acting as the attorney of the defense for the Chinese Communists. Nor do we mean that the Chinese Communists commit no atrocities and engage in no intrigue. No. There are plenty on both sides. What we want to point out is that at such a critical moment in our history as the present, activities of this kind only tend to aggravate the whole situation at the expense of the nation. Every good citizen of the Chinese Republic owes a duty to the nation to exert more *constructive effort* toward peace. Propaganda activities must be totally suppressed and the propaganda war must be stopped before the other. President Chiang must take steps in this direction before peace is possible.

Investigation Demanded

If the distribution of *"Atrocities of The Chinese Communist Party"* in the capital on December 8 was not made with the President's permission we are fully confident that it must have been done without his knowledge—we advise the President to order immediate investigation of the origin, and mete out punishment to the unscrupulous propagandists. We also wish to suggest the President issue strict instructions to prohibit his subordinate generals from engaging in a propaganda war.

In fact, the distribution of *"Atrocities of The Chinese Communist Party"* is doing no good but much harm. It shows glaringly that the Rightists within the Kuomintang and the jingoistic militarists within the National Army ranks are becoming more and more strong and powerful. Indeed, there is already every indication that these reactionaries are now getting more and more beyond control.

It is these reactionaries who oppose bitterly the peaceful settlement of Nationalist-Communist issues. It is these reactionaries who insist that the Chinese Republic must be a *"San Min Chu I* (meaning Three People's Principles) Republic," instead of the popularly demanded "democratic republic." It is these reactionaries who have full confidence that "the Chinese Communist armies could be annihilated within five months." It is these reactionaries who have apparently held the President's hand from working for peace in the nation. It is these reactionaries who have prevented General Marshall's peace mission in China from being crowned with success.

"Opposition Party" In NA

In the National Assembly hall, there is already a well organized so-called opposition party to oppose the revision of the old draft constitution published on May 5, 1936, and the adoption of the latest draft constitution revised in accordance with the general principles agreed upon by the Kuomintang and the Chinese Communist Party in the Political Consultative Conference. Despite the President's clear announcement that "I (President Chiang) acknowledge that the May 5 draft constitution is unworkable today," and his untiring efforts to urge the delegates to vote for the revised draft constitution submitted by the National Government on November 7, the opposition remains strong. The existence of the opposition party is the greatest stumbling block to the progress of the National Assembly.

To trace back, the so-called opposition party was really reorganized from the former National Assembly Delegates' Fraternity Association. It is now staffed mostly with the employees who prepared the convocation of the National Assembly. These

"delegates" mostly were elected more than 10 years ago.

According to current reports, out of some 1,500 delegates present, from 300 to 500 belong to this Association; nearly all of them are members of the Kuomintang. Their self-styled mottos are: "To work out the constitution freely" and "To enforce the constitution simultaneously." By this, they simply mean that the National Assembly should work out a constitution *other* than the revised draft constitution submitted by he National Government and endorsed by the President, and put this new constitution in force at once.

Headed by 72-year-old Kung Kang, the opposition party promotes the "Movement for the Enforcement of the Constitution," and the organization of the National Assembly Party. Wu Chao-chu, one of the promoters of the opposition party, was even bold enough to question President Chiang regarding the legality of his assurance to Carson Chang, leader of the National Socialist Party, regarding the adoption of the latest revised draft constitution.

President Must Act

All this reminds us that so far as President Chiang Kai-shek is concerned, he is most anxious to achieve national unification. He already "acknowledges that the May 5 constitution is unworkable today." In his speech of December 10, he reaffirmed the Government's intention to work for a political settlement rather than settlement of National-Communist issues on the battlefield. But the opposition from the Rightists within the Kuomintang and the jingoistic militarists within the National Army ranks is still strong. Unless the President takes immediate and strong steps to put all these reactionaries, discontented politicians and subordinate generals under control, and to effect a house cleaning within the Kuomintang itself, we doubt that the President can go far, no matter how sincere he may be.

A Word To UNRRA

In distributing American army rations to the delegates during the military maneuver, we believe CNRRA has done something quite outside the scope of its duties. Being essentially a famine relief organization working in cooperation with UNRRA, we suggest CNRRA remain a non-political organ, taking no orders from any political party, only caring for the starved, the poor, the sick and the homeless. We also wish to suggest that CNRRA make far more economic use of army rations, irrespective of whether they were purchased from surplus property, or given by UNRRA. CNRRA must use them for the lofty purpose for which the organization was created.

Let us remind CNRRA that on the day it distributed no less than 2,000 packs of army rations to delegates and attendants at the maneuvers, no less 60 poor persons died on the streets of Shanghai. A similar heart-rending situation existed in Nanking where the poor died of cold and starvation. We suggest CNRRA turn its full attention to them. Caring for the comforts of the delegates is not their business.

NOTICE

With the advent of winter months a marked increase is noted in the use of electric energy for general purposes, particularly heating, with the result that it has been necessary to further seriously curtail supply to mills and factories.

It is impractical to black out areas of Shanghai giving consideration to hospitals, street lighting and other essential public services; therefore, when the demand exceeds the capacity of the generators or when generating plant must be shut down for overhaul, it becomes necessary to disconnect supply to factories. The livelihood of thousands of workers and the economic recovery of Shanghai depend to a large extent on industrial production.

Consumers are, therefore, requested to rigidly economize in use of electricity for all purposes, until it has been possible to replace losses of generating plant sustained during the war years.

Consumers have already been advised that electric radiators must not be operated. Consumers with heating services have already been notified of the maximum monthly amount of electricity permitted for cooking, refrigeration, sterilization, and other essential heating processes, but this allotment does not include any allowance for electric space or room heating. As previously notified, the use of electric radiators for space or room heating is prohibited.

In view of the serious situation created by the power plant shortage, instructions have been received from the Bureau of Public Utilities, Shanghai Municipal Government, to closely investigate cases where the monthly consumption has exceeded the allotment, and if it is found or indicated that electric radiators have been used, the heating and cooking circuit will be disconnected until ample generating plant is available. The Company has no discretionary powers in this matter and will carry out the disconnections wherever the use of electric power exceeds the allotment.

In view of the previous notice prohibiting the use of electric space heaters as from October 1st, 1946, Consumers surrendering to the Company rented heaters will be refunded any hire charge already paid for periods after that date.

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December 16, 1946.

An Analysis And Interpretation Of The New Sino-American Pact

By TSENG YU-HAO

THE Treaty of Friendship, Commerce and Navigation between the United States of America and the Republic of China, signed on November 4, 1946, at Nanking, was, according to a report of the official *Central News Agency*, approved by the Supreme War Council and ratified by the Legislative Yuan. However, until the United States Senate votes to accept this new instrument, it is not the law of the land as far as the American nation is concerned. In view of the fact that even the great President Wilson failed to persuade a reluctant upper house to agree upon his Versailles commitments, and that President Truman's Democratic administration now faces a Congress with an opposition Republican majority, ready to take any advantage for political reasons, an analysis and interpretation of the new Sino-American pact may be interesting and useful for observers of Far Eastern as well as Washington politics.

To students of international law and East Asiatic diplomacy the new Sino-American agreement presents several salient features. First, it reaffirms those provisoins of 1943 relating to the relinquishment of the ancient regime known as Extraterritoriality and Consular Jurisdiction in which subjects of a so-called treaty power "who may commit any crime in China shall be tried and punished by the Consul or public functionary authorized thereto according to the laws of" the said treaty power. A similar archaic institution, called the Capitulations in Levant, was abolished by the Treaty of Lausanne, 1923. In Japan, the extraterritoriality system was abrogated after the Treaty of Shimonoseki, 1895, when Christian countries regarded the Mikado's Empire as civilized because "she has learned how to kill." It is natural therefore for the High Contracting Parties to declare and reiterate as final and absolute the abolition of such imperium in imperio or government within a government.

Protection Undertaken

Accordingly, Article II of the new Sino-American Treaty provides that "the nationals of either High Contracting Party shall be subject, within the territories of the other High Contracting Party to the applicable laws and regulations, if any, which are or may hereafter be enforced by the constituted authorities." The High Contracting Parties undertake, however, the responsibility of protecting life and property of such nationals required by international law. Those accused of any crime shall be promptly brought to trial. They shall be given the right to defend themselves. No property shall be taken without due process of law and without the prompt payment of just and effective compensation, including facilities to obtain foreign exchange for the purpose. Those nationals within the custody of the authorities shall receive reasonable and humane treatment."

Secondly, the old Customs tariff restriction of China's sovereign rights to the imposition of "the general rate of five per cent ad valorem" no longer exists under the new convention. "Laws, regulations of administrative authorities and decisions or administrative or judicial authorities of each High Contracting Party pertaining to the classification of articles for customs purposes or to rates of duty shall be published promptly in such a manner as to enable traders to become acquainted with them." No new or increased rates shall be applied to goods already en route. Proper procedure shall be adopted in order to enable appeal against fines and penalties imposed by the Customs authorities. Each government shall accord sympathetic consideration to "representations with respect to the operation or administration of import or export prohibitions or restrictions, quantitative regulations, customs regulations or formalities, or sanitary laws or regulations for the protection of human, animal or plant life or health."

The much condemned system of alien rights to inland waters in China has, thirdly, been made reciprocal. "The vessels of either High Contracting Party shall have liberty, equally with the vessels of any third country, to come with their cargoes to all ports, places and waters of the other High Contracting Party which are or may hereafter be open to foreign commerce and navigation." No duties and no discriminatory measures shall be applied, unless they are likewise imposed on national vessels.

Advantage To U.S. Seen

Comintern sympathizers have consistently criticized this stipulation as enabling United States citizens to control Chinese interior trade, whereas there is no possibility for the Chinese in America to carry on shipping business.

Perhaps it should be noted that such navigation rights are granted only in those ports "open to foreign commerce and navigation." In short, China can close as many places as she likes to alien trade and industry.

In the fourth place, the extra-treaty institution of foreign concessions and international settlements is done away with. A treaty power national's rights are not limited to the treaty ports as in the old days. "The nationals, corporations and associations of either High Contracting Party shall enjoy, throughout the territories of the other High Contracting Party, and in conformity with the applicable laws and regulations, if any, which are or may hereafter be enforced by the duly constituted authorities, the right to organize and participate in, including the right to control and manage, corporations and associations of such High Contracting Party for engaging in commercial, manufacturing, processing, scientific, educational, religious and philanthropic activities." Such right may however not be as favorable as that accorded to "its own nationals."

Immigration Statutes

If one High Contracting Party can enforce measures less favorable to nationals of the other High Contracting Party within the former's territory, it seems difficult if not impossible for the latter's nationals to dominate when engaged in the activities stipulated. One party may resort to Chief Justice John Marshall's well-known dictum that the power to tax is the power to destroy. Critics apprehensive of abuses resulting from this last-mentioned clause do not therefore appear to argue with much foundation.

In the fifth place, the limitation of Chinese persons in the United States does not find any variation in this new pact, which insists that "nothing in this Treaty shall be construed to affect existing statutes of either High Contracting Party in relation to immigration or the right of either High Contracting Party to enact statutes relating to immigration."

According to the Burlingame Treaty of 1868, concluded when the United States needed badly Chinese laborers for opening the frontiers, and when the Manchu Criminal Code still made it a grave offense for Chinese subjects to emigrate, nationals of Emperor Ta Tsing were welcome to America as a quid pro quo arrangement. Later the question of Chinese laborers became "an embarrasment" to the Federal Government. Congress simply enacted the so-called Chinese Exclusion Acts invalidating the United States' international obligations to China. Such legislation was upheld by the Supreme Court of the United States in two celebrated cases of Chae Chan Ping v. United States, 130 U.S. 581 (1889) and Fong Yue Ting v. United States, 149 U.S.698 (1893).

Chinese resentment of America's violation of treaty rights resulted in a general anti-American boycott movement early in this century. As a measure of appeasement Washington remitted a portion of its Boxer Indemnity funds for the education of Chinese youths in China and America.

"Most Favored Nation"

Sixthly, the "most favored nation" clause, binding one contracting state

to grant to its co-signer all privileges similarly granted to all other states, is provided. Nationals of both parties in each other's territory shall not "receive treatment with respect to such rights and privileges less favorable than the treatment which is or may hereafter be accorded to the nationals of any third country."

In the seventh place, United States citizens in China have been complaining for years that their scientific and scholastic rights were being infringed. In the case of MacMillan Co. v. the Commercial Press twenty years ago, Shanghai's Mixed Court, under the domination of a foreign assessor, definitely regretted that while the Mixed Court realized the immorality on the defendant's part, nevertheless the same Court could not issue a writ of injunction restraining the Commercial Press from pirating the famous Webster's Collegiate Dictionary.

Extends Protection

The new Treaty extends protection, in a reciprocal manner, of "all rights and privileges of whatever nature in regard to copyrights, patents, trademarks, trade names and other literary, artistic and industrial property, upon compliance with the applicable laws and regulations, if any, respecting registration and other formalities."

Appointments and residences of diplomatic and consular agents whom the Manchu rulers resisted so violently that they lost two wars are, eighthly, accepted as a matter of course. "The government of each High Contracting Party shall have the right to send to the government of the other High Contracting Party duly accredited diplomatic representatives who shall be received and, upon the basis of reciprocity, shall enjoy in the territories of such other High Contracting Party the rights, privileges, exemptions and immunities accorded under generally recognized principles of international law."

Guarantees Liberties

The ninth feature of the new agreement is the guarantee of religious and educational liberties which the American missionaries have been granted to the benefit of the Chinese for the last century and a half. Thus Article XII says that "the nationals of either High Contracting Party shall, throughout the territories of the other High Contracting Party, be permitted to exercise liberty of conscience and freedom of worship and to establish schools for the education of their children, and they may, whether individually, collectively or in religious or educational corporations or associations, and without annoyance or molestation of any kind by reason of their religious belief or otherwise, conduct religious services and give religious or other instruction, either within their own houses or within any other appropriate buildings." Places of worship and cemeteries shall be held in respect.

Article XXVI provides that "the provisions of this Treaty shall not be construed to accord any rights or privileges to corporations and associations engaged in political activities or with respect to the organization of or participation in such corporations and associations." The Treaty also prohibits any third country or countries having satellites from taking advantage of the rights and privileges specified in this convention. Suppose the American Communist Party wins in the next election and the Kremlin gains a great deal of influence in Washington. Then General Chiang Kai-shek can invoke this Treaty provision and refuse to accord any facilities to a Comintern agency from New York City.

Such events may or may not happen. Dr. J. Leighton Stuart might have had something like this in mind when he chose to sign this pact.

US Villages In Japan

FIVE modern American villages, each with a population of 800, will be completed on the island of Kyushu by next July for units of an infantry division, according to the *Pacific Stars and Stripes*.

Designed for families of the soldiers and officers, each unit will occupy a community of 285 dwellings spread over an area of 100 acres with a church, commisary, theater, school, clubs and other installations.

The first families will be able to move in next month.

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U.S. Occupation Troop Scandals Charged, But Inquiry Opposed

By JOSEPH P. LYFORD

(Special Correspondent, The China Weekly Review)

New York, Dec. 5.

UNITED STATES military government policy in Germany is headed for a sweeping investigation, despite the fact that the administration is striving desperately to prevent the probe from materializing.

The results of an official investigation, when it comes, may reveal laxities and weaknesses in American occupation procedure of scandalous proportions. The public got the first hint of what is in store for it in the way of sensational disclosures from unofficial stories dealing with the now famous Meader report.

The Meader report has been released to the newspapers by the Republican minority on the Senate War Investigating Committee against the wishes of Senator Harley Kilgore, committee chairman. Kilgore had labelled the Meader report confidential, but the Republican committee members decided to hand out the report after its substance had leaked out to certain correspondents.

The Meader report represents the total official attempt to date made by the government to investigate charges by German civilians, U.S. Army personnel, and U.S. civilian employees in Germany concerning alleged irregularities in our occupation in that country. The author of the report is George Meader, counsel for the Senate War Investigating Committee, who was detailed by Senator Kilgore to make a preliminary survey of conditions. Meader's evidence fills six feet of files and is gleaned from the testimony of several hundred persons, including high ranking army officers.

In brief, the published accounts of the Meader report say evidence has been found of:

1. Misconduct by U.S. Army officers and men, many of them negroes.

2. A high venereal disease rate, which averages 30 percent among white troops and 897 per 1000 among negro troops.

3. Low quality replacements among white troops, the intelligence ratings of one group showing that "about one tenth were not even high grade morons."

4. Refusal of about 450,000 displaced persons to return to their former homes in Soviet-dominated territory, while "pressure groups" in the United States allegedly prevented their removal from UNRRA relief rolls.

5. The financed migration of refugees from Eastern Europe into the U.S. zone while the British and French zones remained closed to the immigrants.

The main reason cited by the Kilgore faction in the Senate War Investigating Committee for suppressing the Meader report is the report's inflammatory nature, and the fact that the report's charges have not been substantiated by further investigation. This reasoning is logical. The issues raised are explosive, especially the report's specific charges against the behavior of negro occupation troops. The singling out of a racial group for serious criticism goes against the grain of the average American. And the condemnation of the negroes in the report, if unjustified, as it may well be, constitutes a crime against the public welfare by adding fuel to racial issue. The Meader report also cites cases of black marketing, looting, white slavery, theft, violence, and sexual laxness that allegedly characterize the conduct of our occupation troops.

If these charges are based on insufficient evidence, as the Kilgore wing of the committee claims, then its attempted suppression was absolutely justified.

But Kilgore and his Democratic colleagues have voted six to four against Republican opposition to drop the entire investigation in the face of the Meader report. This is something else again. Whether or not the Meader report is correct, its publication has raised serious charges which must be answered by a thorough inquiry which would either verify the charges made or expose them as a "mountain of gossip." Senator Kilgore's attempt to smother the investigation now will only perpetuate in the public mind any inaccuracies and falsities in the Meader report. The public has begun to feel that the dropping of the Kilgore investigation at this critical point is an admission of the veracity of Meader's preliminary evidence.

The investigation cannot be long delayed despite the efforts of the Democrats, so it might as well come now. If it does not, the Republicans will resume it next year when they have gained the majority membership on the committee. GOP anxiety for a thorough investigation is not entirely public-spirited, it must be admitted, for the inquiry can shape up as a popular reform move by the Republicans. Regardless of how party fortunes are affected by the investigation, public necessity demands a follow-through on the Meader report.

Former military personnel now in the States hear a familiar ring to the evidence introduced in the Meader report. Stories of colonels and higher ranking officers appropriating government equipment for their personal use; of their requisitioning of fine houses for mistresses; of enlisted men and officers intimidating and beating the civilian population, etc., parallel what was the case in Europe a year or so ago on a smaller scale.

Chinese and Japanese civilians who have had their brushes with recent troop replacements in their own countries will understand what Meader means when he speaks of the inferior men being shipped in as troop replacements. The Meader report emphasizes that the trouble is coming from low quality "rear echelon" troops, rather than the original occupying forces, most of whom had seen combat.

The *New York Post* insinuates that Meader has been motivated by political ambitions. Be that as it may, his report should be considered, analyzed, and most important, checked. If the report is based on insufficient evidence, it should be exposed as a fraud. And if true, the elements responsible for the laxity alleged to exist in our occupation forces should be ripped out and dealt with harshly. Fairness to both the public and our troops in Germany requires that the Meader report indictments be pinned down by scientific investigation. The present War Investigating Committee, acting on strict party lines, has chosen to block such an inquiry.

Japanese Textile Trade Reviving Under Occupation Authorities

By C. H. WONG

THE Allied occupational powers view with varying degrees of satisfaction unmistakable signs of the revival of the Japanese textile trade. Manufacturers of cotton, rayon and silk products are getting their plants back into production. Export shipments are to begin before the end of December, according to a survey by *World Report*.

The United States is all for a self-supporting Japan. She looks forward to seeing the cost of occupation and of food imports defrayed by textile exports. She is unable, herself, to produce textiles cheap enough to compete in Eastern markets; until cheap Japanese cotton goods are entering US markets at the pre-war rate of 100,000,000 yards per year in spite of high tariffs, she will look with favor upon the reviving industry.

Britain would like to get back the cotton trade lost to Japan between 1924 and 1935. However, this consideration is outweighed by the desperate plight of her colonies, whose textile needs she is in no position to satisfy. The populations of Southeast Asia will not return to work without cloth.

Russia needs textiles, and hopes to obtain them in Japan through barter agreements.

China Alone Opposed

China, alone of the occupation powers, is opposed to the development of the Japanese textile trade. She wants to increase the small production which she is carrying on with Japanese owned equipment seized in China. China also wants a bigger share in world trade in raw silk.

Consideration of competition with their own products are outweighed in India and Australia by the large amounts of raw material they hope to sell to Japan's textile industry, as in pre-war days.

The Japanese government is eager to see the textile industry win back the markets lost during the war. Textile plants are said to receive No. 1 priority on labor, materials and capital. It is suspected that domestic crops and food stocks were deliberately underestimated in order that increased imports might provide an excuse for maximum exports.

Cotton is being produced in Japan on a small scale. Only 20 percent of pre-war spindles are intact: of these only half are in operation. The Japanese hope to double the present capacity of 2,000,000 units by the end of 1947. Raw cotton is being supplied by the US. As the Japs did not report their stocks of cloth and yarn until after the shipment of raw cotton had been arranged, it is probable that all of the production will be exported instead of the 60 percent originally planned by the U.S.

Rayon producers have enough plant to produce about 350,000,000 pounds per year; shortages of coal, caustic soda and salt have reduced their output to less than 30,000,000 pounds. The goal for 1948 is 200,000,000 pounds.

Strikes Numerous

Raw silk exporters expect to dominate the world market within the next five years. Production, although virtually wiped out during the war, should exceed 2,000,000 pounds a month by the end of 1946. An output of 35,000,000 pounds a year is anticipated by 1951. U.S. experts estimate that world demand by 1951 will be less than that figure.

The Japanese textile industry is just beginning to get back on its feet, but should make rapid progress after 1947. How far it is able to expand will depend upon the policies of the occupation countries.

The surprising recovery seen in Japan is on sharp contrast to China's unhappy industrial floundering. Japanese industrial production between April and September has exceeded the estimates of the most optimistic. In no important field has she fallen short by more than 20 percent of the goal set by the production plan. In many instances she has overshot the mark—the production of zinc is 570 percent of the goal, lead 272 percent, electric copper 157 percent.

To Dominate Market

Results in October were less spectacular on account of numerous strikes, especially in collieries, but the general situation remains encouraging. This is all the more surprising as the reparations question still hangs over the country. Russia's refusal to participate in a discussion of the problem has delayed what will be at best a lengthy proceeding. Recently the United States has determined to go ahead with the allocation of Jap reparations with or without Russian participation. It is uncertain how serious the effect of reparations will be upon Japan's economy. Meanwhile, long term planning is impossible until the question is settled.

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Yenan's Hardy Guerrillas Await Hu Tsung-nan's Modern Armies

By SHEN CHIEN-TU

Yenan, Dec. 3.

A THREATENED Kuomintang attack on Yenan is spotlighting the high tableland of northwestern China studded with innumerable yellow loess breasted hills cut by countless ravines and gullies which once roared to civil war guns before the outbreak of the anti-Japanese war.

Military quarters here disclosed that 180,000 Kuomintang troops were massing round this border region more than two weeks ago. Though Hu Tsung-nan's American artillery pieces have already pounded villages in the southern tip of this pear-shaped border region embracing the borders of Shensi, Kansu and Ninghsia provinces, there have been only reports of frontline skirmishes. Occasional skirmishes have also occurred north of Yenan but high military commanders here regard the Kuomintang forces recently reinforced by airborne troops in this area around Yulin as yet insufficient for attack on a large scale.

An attack on Yenan when the convoking of the "National Assembly" is blasting hopes of political compromise between China's two major parties is explosive in its effects. It will blast away the last vestiges of hope in a peaceful solution and sparkplug fiercer fighting all over central and north China and Manchuria. The civil war phase of parley and fight will become one of simply fight.

• 6 County Towns Retaken

This is perhaps why the looming battle of Yenan is still in abeyance. Recent Kuomintang military setbacks just north of the middle Lunghai Railway and recovery by the Eighth Route Army of a cluster of five county towns east of Yenan across the Yellow River in West Shansi may however have the effect of at least diverting General Hu Tsung-nan's American-equipped forces still massed round the border region, if not in delaying the Kuomintang attack.

Though Yenan had great strategical value as a border garrison against foreign invaders from the north and northwest in the days of the Sung Dynasty, it now has only significance as the political center of Chinese liberated areas forming one-third of China with a population of 140,000,000. More than 1,000 years ago, Yenan was called "Yenanfu," which meant that Yenan was the center of several border counties in this northwestern corner of the imperial domain. An ancient Chinese poet writes of the "skulls and bones of warriors who died in virginal dreams along the banks of the 'Ever-Changing River' which runs north of Yenan through the ancient battleground."

The battle for Yenan now will be a Kuomintang "battle for prestige" with Chiang Kai-shek's prized American-equipped crack forces under General Hu Tsung-nan as the stake. Peasant people's volunteers and regulars are already thinking of "*fa yang Tsai*" (meaning getting foreign riches)—capturing American arms and equipment of General Hu Tsung-nan, who has blockaded the border region from Sian for many years.

Reds Ready For Fray

Yenan is girding for the battle. Her grey uniformed slack-trousered women and their rosy-cheeked babies have evacuated to the countryside. Many times during the anti-Japanese war, Yenan has prepared against Kuomintang attacks, but this is the first time that her aged women, children and hospitals have moved to a safer rear.

Those who think in terms of numbers and the superior American weapons of the Kuomintang armies will find a strange confidence among the 1,500,000 population in this border region. The exchange rate of CNC$1 to 10 Border Region dollars remains the same as during the past half year, and there has been no rush for CNC currency. which is also in circulation on the market.

Though an exaggerated rumor of a paratroop attack on Yenan caused a little flurry among Yenan merchants,

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many shops and stalls, except those who have moved to the rear, are doing business as usual and the streets are thronged with pedestrians and shoppers. Shopkeepers, merchants, peasants, government employees and students all have some kind of weapon at hand to "capture a parachute which can be made into a dozen silk shirts." They tell you that the "paratrooper is most helpless when he has just landed."

Region Self-Sufficient

The source of this confidence may perhaps be found in the history of the border region. For eight years this border region has been the general base for the several million regulars and irregulars fighting behind the Japanese lines in Manchuria, and north, central and south China. Japanese forces trying to cross the Yellow river to attack Yenan from the east have always been driven back and the border region has also beaten back local attack of Hu Tsung-nan's forces.

During eight years of anti-Japanese war this "bleak and barren tableland" of China went through many production drives to raise agricultural output. Moderate land reform through rent and interest reduction which succeeded the agrarian revolution before the anti-Japanese war, has given land to the peasants who can now be sure that they will have the bulk of their crops for themselves. A land reclamation movement has increased land under cultivation manifold. The border region now harvests more than it can eat and it has grown self-sufficient in many daily necessities, such as paper and oil, to beat the Kuomintang blockade.

Founded In 1930

Guerrilla leaders who founded this border region as early as 1930 against Kuomintang "suppression campaigns" now occupy high posts in the border region government though many fell in battle against the Japanese. One of these guerrilla leaders of the first civil war days before the outbreak of the anti-Japanese war is 36-year-old Liu Ching-fan, who is now vice-chairman of the border region government and chief of the present border region mobilization committee for the defense of Yenan.

Liu, who became a revolutionary in his teens, knows what the peasants can and cannot do, for he himself was a farmhand and has helped to build a peasant army which can stand up to Kuomintang suppression campaigns. He started with only a few guns 16 years ago. By siding with peasants in their fight against landlords, their sphere of administration grew from one county to 11 counties in 1933, and to more than 20 counties in 1935. The border region now has over 30 counties and municipalities.

Liu says that they smashed 13 Kuomintang regiments sent to suppress them before the arrival of the main Red Army from the south at the end of 1935. No less than 200,000 Kuomintang troops were estimated to be fighting them at one time. This is more than the estimated Kuomintang forces now surrounding the border region.

Just before the outbreak of the anti-Japanese war in 1936, the Northeast troops of the Young Marshal tried their hand at quelling them. Liu says that two divisions and two regiments of the Young Marshal's army were wiped out in the deep ravines which crisscross the border region.

Ideal Guerrilla Country

The hilly terrain, Liu says, reduces the effectiveness of modern American weapons and mechanized warfare. The twisting revines and gullies afford excellent cover to defenders. Hardy peasant guerrillas accustomed to mountain climbing easily run up and down the numerous paths leading from hilltop to hilltop to wage guerrilla warfare. The countless yellow breasted hills conceal the mass movement of troops familiar with the countryside to lay death traps for invaders.

Yenan itself, Liu says, was occupied by two divisions of the Young Marshal's troops in 1936. Peasant guerrilla forces just outside Yenan confined them to the town. Highway communication between Yenan and Lochuan was cut and supplies had to be air-lifted to them. They were besieged for six months until the garrison's strength dwindled to only a division. Negotiations with the Young Marshal for a common fight against the Japanese lifted this siege on Yenan.

"Let Hu Tsung-nan come, we are ready!" said Liu as he paced to and fro in his snow-white cave dwelling. "Hu Tsung-nan's troops will occupy the border region," he said adding, "but they will occupy it with six-foot graves."

Sikang Governor General Liu Wen-hui was last week pivoted into the limelight of current events when an 11-man delegation from the farwest province asked Nanking to remove the general as governor because his administration "encourages the growth of opium poppies and arms 100,000 Chinese and 1,000,000 Lolo tribesmen with machine-guns, rifles and pistols" in return for opium received.

* * *

General Yen Hsi-shan, governor of Shansi and 11th War Zone commander, was another high government official slated by petitioners for removal at Nanking because "life in Shansi had been rendered miserable owing to his oppression and exploitation" as a result of the "soldier-farmer policy."

* * *

Archbishop Antonio Riberi, first Apostolic Internuncio to China, arrived here from Marseilles last week. The papal envoy presented his credentials to Generalissimo Chiang Kai-shek this week.

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Importers In North China Griping Over Foreign Trade Restrictions

By S. E. SHIFRIN

(Special Correspondent, The China Weekly Review)

Tientsin Dec. 16.

THE "Financial Times" of London has complained about the lack of detailed news on the new foreign trade restrictions. Importers in China also are griping, right alongside. A month after the announcement of the new regulations the exact methods to be used in allocating foreign exchange are as vague as ever, and the only thing that is at all clear is the reported possibility of every importer opening a letter of credit for US$2000 while awaiting registration

With the all-important factor of efficient administration still an unknown factor, economic analysts could only point out a few self-evident facts and diagnose the restrictions as complete control of foreign trade. A thing which required no comment was the fact that no putting on of the screws can change the basic weakness of a 5.5:1 import-export ratio. The new measures may save some foreign exchange. They may gratify a section of the Chinese press, which has consistently trumpeted about the "dumping" of American goods and the danger of this competition to native industries. But just as the new measures are not likely to save the Chinese industries if they are really sick, so are they not likely to increase China's exports to any considerable extent.

Government Competitor

With no quotas of foreign exchange publicly allotted to various categories of import goods, with the yardsticks and considerations in granting the exchange still smoke-screened from the public, it is impossible to comment on the new restrictions. One can only consider certain possibilities as they appear today. The participation of government agencies on a footing of equality with private importers seems to endanger allocation of foreign currencies to private enterprise. In any country there would be a natural tendency to favor government agencies, and in China today, apart from any possibilities of misuse of the allotments, the Government is Big Business in many fields, competing directly with private enterprise.

It would not be unnatural and not at all surprising were Government requirements granted precedence over rival claims to foreign exchange. Not only some importers, but also some industrialists may find that they are being hurt in the process.

Another puzzler is the registration of importers now in process, which may attempt to weed out wild cat importers who are spoiling the market and limit trade to bona fide importers. The amateur importers would learn in time the facts of the trade and would have to pay for their lessons, but at the same time would not spoil the market for legitimate traders. The registration could also have the indirect result of the forming of a national association of importers—a logical step from the point of protection of interests of foreign traders.

Two Possibilities Seen

The only hints to the possible action of the Board are two questions included in the application for registration. One question is on the date of the firm's founding in China, and the other on its imports in terms of U.S. dollars during 1935, 1936, 1937 and 1946. The questions open two possibilities they may indicate an intention to refuse registration to firms starting trading after a certain date—for instance, either the beginning of the Sino-Japanese War or after V-J Day—and may also hint at a Board plan for allocating foreign exchange to various firms on the basis of imports in the past, with some arbitrary figure as a yardstick.

For this to be done thoroughly the importers' figures would have to be checked with the Customs statistics, which would mean some delay in granting licenses, and would seem to call for public sympathy on behalf of the hard-working personnel of the Stastical Department of the Chinese Maritime Customs. Among the happiest importers under such a scheme would be firms serving as manufacturers' agents—they would seemingly receive preferential treatment.

Shanghai Favored

A new departure is also being made in the method of granting import licenses. According to Article 3 of the Temporary Regulations published on February 26, import licenses were to be issued by the Maritime Customs. The C.M.C. never had this power, which was actually, and to a very large extent, exercised by the authorized banks. Very decidely an end is put to the relative autonomy of the various banks in granting foreign exchange and this function is now centralized under the direct jurisdiction of the Board in Shanghai. Perhaps the Board was dissatisfied with the results of the previous arrangement, which it could easily have changed at any time, but the importers in the North have already protested against what they seem to consider preferential treatment of the Shanghai importers, and a handicap to all the others.

Chinese circles who expected a fall or at least no rise in the black market rate of the U.S. dollar following the new regulations should by now be disappointed. Chinese economic writers have many times stated that the fluctuations of the black market rate were due to the demand for greenbacks accepted by the banks for imports which were allotted no foreign exchange—a possibility which the Temporary Regulations did not cover. Now this oversight, if oversight it was, has been remedied but as this is being written greenbacks seem to be on the up and up again. Perhaps this is due to the importers' desire to cover their original disbursement, perhaps it is due to anticipation of an announcement of a new official rate. At the moment it looks as if the demand for the U.S. dollar will hardly fall for some time and a rise in the rate which might result would be bad news for the importers—curtailing even more the ever-shrinking purchasing power of the population in terms of greenbacks.

Exchange Being Conserved

It is understandable that China with a deficit in its national budget could not indefinitely permit the loss of precious foreign exchange through the excess of imports. Shanghai port alone, up to the end of October, had an excess in imports to the value of more than US$300,000,000, according to figures of the Chinese Maritime Customs.

It is rather doubtful that resentment at the non-granting of a US$500,000,000 loan caused the new restrictions. Much more plausible is the view that with no anticipated half-billion dollars to cover its unfavorable balance of trade, China decided to conserve its remaining reserves of foreign exchange. In this connection it is interesting to note the recent purchases of surplus from the U.S. required no immediate expenditure of foreign exchange and

were largely in the nature of credit transactions. One of the purposes of the original trade regulations was to conserve foreign exchange—this was not achieved and the new measures followed.

The Government's cracking down on continued loss of valuta, frequently partly caused by huge imports not particularly in demand but only in order to earn the 20 or more percent spread between the official rate and black market quotations, looks like a case of locking the hanger after the plane has flown. What is more, business was already bad at the end of July, with importers fearing a slump after the arrival of large quantities of previously ordered cargo. During the week preceding the publication of the new restrictions, a Central Bank spokesman was quoted by the *Sin Wan Pao* as predicting, "a serious business depression at the end of the year" which could force many financial, industrial and commercial establishments to close down.

"Buyer's Market" Reached

In the face of sluggishness of prices on imported goods after the announcement of the new restrictions, some importers are of the opinion that the state of "a buyer's market" for many categories of goods had almost been reached and imports would have fallen drastically even without the new regulations. The failures reported from many parts of the country due to borrowing at high rates of interest and hoarding and stocking up of commodities in a falling market, added to the ever-falling purchasing power of the consumer, seem to support this view.

It is just possible that a policy of comparatively free imports resulting in a huge deficit has not only satisfied the hunger for consumer goods existing on V-J Day and after, but may have been sufficient proof to foreign countries that China had to do something about it. The trade retaliation which China may have feared was perhaps avoided by this policy. In any case if imports are to be strictly controlled, the price on some import goods is bound to rise in time. The Government measure may have benefitted a group of hoarders and speculators with large stocks on hand who may have been threatened with bankruptcy in a falling market.

Order Out Of Chaos?

Strict regulation of imports may save some foreign exchange but it will do nothing constructive in providing a greater amount of currency, which only an increase in exports can provide. It may of course be, that the new regulations are just a part of a new Government plan to bring order out of economic chaos. In that case we might yet see not only encouragement of exporters, but also hear about Article 6 of the original regulations empowering the Board to "direct the distribution and marketing of commodities imported or to be imported"—a provision which may mean many different things, depending on its interpretation.

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NEWS OF THE WEEK

Government Mission To Yenan Said Not Planned; NA Reopens

WHAT seemed like a sensational development and a softening on the part of the Government last week was discounted this week by "an authoritative source" revealing that the Government "had abandoned its plan of sending emissaries to Yenan to discuss a resumption of peace talks." The Communist spokesman in Nanking said he had heard nothing of this alleged plan and reiterated the stand of his party as still resting on Gen. Chou En-lai's recent message to Nanking. He emphasized that only a dissolution of the present Assembly and the restoration of troops to January 13 positions could induce the Communists to parley.

The National Assembly, which had gone into recess to allow the various committees to examine the draft of the constitution, reopened in midweek, with Ho Chung-chun, ex-Hupeh governor, presiding.

Earlier, the Generalissimo used his personal influence to get the steering committee of the Assembly to veto all the revisions made by the examination committees "against his known wishes," and to uphold the original clauses "of the PCC." This move, it is said, precluded the development of a crisis which would force "third-party delegates" to withdraw from the Assembly.

This action on the part of Chiang was necessitated by the fact that the examination committees were dominated by "die-hard Kuomintang elements," as UP put it. These elements, it is said, contrived to alter the powers and composition of the Assembly and Legislative Yuan.

The Central Executive Committee of the Kuomintang urged party members to back the PCC version of the draft constitution "against attempts to solidify it into a totalitarian tool."

While these events occurred, Information Minister Peng Hsueh-pei emerged with a statement, more or less a reiteration of past pronouncements, that "when there is the least hope, the Government will spare no effort to achieve a peaceful settlement with the Communist Party."

From Peiping came the report that the withdrawal of American marines from that part of China would take considerably longer than recently estimated by State Secretary James F. Byrnes, in his speech before the UN General Assembly.

It was said that while the 2,000-man Executive Headquarters exists --and there is no sign that it is preparing to fold—there must be marines to maintain supply lines for the American section. Reynolds Packard cabled from Peiping that after 4,000 men withdraw this month, there will still be 15,000 Marines in North China.

A Sino-French air accord was signed in Nanking, granting the French the right to establish a line to Shanghai from any point in Indo-China, and the right to the CATC or CNAC to connect any part of China with Saigon.

* * *

SPAIN

FOLLOWING the decision of the UN to recall its envoys and ambassadors from Spain, General Franco in a speech at Saragossa this week, revealed that the Spanish border had been violated by armed bands. He did not mention France, which is the only country which has a border with Spain along the Pyrenees.

At the same time, Franco said that "an army is the best sentinel of peace." He addressed officer-cadets at the General Military Academy's first graduation ceremony since the Spanish civil war, urging them to "be ready. It is not enough to love peace; we must be ready to defend it."

"HOW LONG CAN HE HOLD ON?"

Those who opposed the breaking off of diplomatic relations with Spain contended that any sanctions against the regime would mainly be felt by the people and eventually cause a civil war. Franco's recent speech was an indication that the regime was preparing for such an eventuality.

On the other hand, Dr. Jose Giral, prime minister of the Spanish Government in exile, declared recently that due to the failure of the United States to propose any direct

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action or aid, the Spanish people would incite a civil war in which the Franco regime would enjoy an overwhelming superiority of materials.

Thus, both sides, while presenting opposing arguments, were agreed that civil war in Spain was, more or less, inevitable.

• • •

BRITAIN

BRITISH Minister of Transport Alfred Barnes told the House of Commons this week that "five years of power" for Labor, in the field of transport services, would mean for the people of Britain "more progress than in 500 years of Tory rule." This he said on the occasion of moving the second reading of the Government's bill for the nationalization of inland transport, to which the Conservatives are opposed.

Britain appeared to be the center of the age-old controversy centering around private and state-owned enterprise. The Labor Party in power for more than a year was charged on all sides, mostly by Conservatives, for failure to achieve staggering successes thus far.

One of the more common charges against this policy of nationalization is that the removal of "private initiative" would eventually bring about stagnation due to the lack of stimulative conditions.

In the case of transport, the nationalization would take a decade to implement. The Opposition charged that with the gradual assumption of complete control by the transport minister, the transport commission which is supposed to take charge of its operation, would be a "retreat of yes-men and sycophants."

• • •

FRANCE

LEON Blum, veteran French Socialist, who was entrusted with the formation of a temporary cabinet, until such time as the power of the present one expires, promptly set to work and produced a list of his appointments. When a vote of confidence was asked, all parties, with the exception of 16 Conservative Independents, voted in favor.

Blum then told the National Assembly that his cabinet, which has only five weeks to go, will dedicate its efforts to balancing the budget, which exceeds Francs 650,000,000,000.

The formation of this all-Socialist cabinet followed failure on the part of the Communists to get Maurice Thorez elected Premier; failure of MRP to get its candidate elected; and, finally, failure of the three major parties to agree on a coalition government.

• • •

GREECE

WHILE the civil war continued unabated in Greece, the Greek Government sent a request to the Four Ministers' Council for adjustments in the Greco-Bulgarian frontier in Greece's favor.

The ministers having considered the request notified Greece of their refusal to grant this change of frontier.

The hostilities shifted into the "bulge" between Bulgaria and Turkey, where Government troops were dispatched in large numbers. At the same time. British troops of the Sixth Airborne Division, veterans of

LET US SUGGEST THE IDEAL GIFT FOR CHRISTMAS: A

FLOSSOL *Shirt*

the fighting in Palestine, arrived at the Greek port of Kavalia. It is said that they are merely replacements for Scottish troops which are to go home.

* * *

VIETNAM

THE Franco-Vietnam accord signed last March, which provided for French recognition of Vietnam as a free state, was not exactly implemented as "pacification of rural areas" in Cochin-China continued. One of the main stumbling blocks in the way of the implementation of this accord has been the dispute over the control of the Customs and the parleys of the French with the Cochin-Chinese representatives apart from Vietnam, which considers the latter as part of the Republic.

The attitude of the Chinese Government was recently expressd by George Yeh, Director of the European Department of the Ministry of Foreign Affairs, who said that "the Central Government officially recognizes only one authority in Indo-China—France." He added that the Chinese Government has no diplomatic relations with Vietnam, although some de facto dealings had taken place between Chinese representatives and Vietnam.

Democratic League Being Strengthened

THE Democratic League, whose activities have been overshadowed by the goings on in the National Assembly and events in Yenan, is quietly undergoing a period of strengthening its ranks and preparing for its Second National Congress, the date for which has not yet been fixed.

Chang Lan, Chairman of the League, told the *Ta Kung Pao* that under no circumstances would he attend the current sessions of the Assembly, but he expressed the hope that the Assembly would at least pass a constitution which could "meet the requirements of the current situation."

Chang said that both the Government and the Communists were conducting preparations for the struggle which lies ahead and in his opinion negotiations could be resumed only when the attitude of both parties to each other "would become sincere and reasonable." He stressed, however, that the prerequisite for peace talks is a "real armistice."

The DL chairman was reticent on the league's participation in the reorganized government and expressed his regret that the four-point pledge made at the PCC "has still not been fulfilled to the letter."

The industrial crisis may be over by January, Teng Han-su, director of the commercial department of the Ministry of Economic Affairs, declared in Nanking last week. He said the government is exerting every effort to cope with the crisis facing China's industry and commerce.

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Britain Intends To Seek Lower Tariff Rates

ALTHOUGH Britain, like the United States, desires an expansion of world trade—and it is admitted that high tariff rates impede this development—the British Commonwealth will give up its system of preferential tariffs only at a time when other countries make concessions in this respect. This trend was evident at the world trade conference in London in October.

On the other hand, the American delegation, expressing the present United States economic policy in the sphere of world trade, upheld the reduction of tariffs in general and the complete elimination of tariff preferences existing among British countries. These tariffs provide for more favorable treatment within the British Empire of imperial goods and a certain discrimination against foreign products. This preferential system assures markets to British dominions, colonies and trade groups, and if they are to be convinced in relinquishing this arrangement they must be offered something just as certain in return.

Agree In Principle

The British Government has agreed in principle to the elimination of tariff preferences, but British officials insist that other countries must show willingness to reciprocate before these tariffs are lifted. This latter clause includes American tariffs.

The most United States tariffs can be cut under present law is 50 percent. Many American tariffs are high and reduction under this law may be considered insufficient by British traders. Another consideration is that in the event of a depression in America, the British will insist on being allowed to return to the present system.

Sugar, Fruit, Tobacco

Certain products of Empire countries cannot be produced profitably unless granted tariff preference, it is argued. In the case of sugar, grown in Australia and South Africa, a US$0.67 per pound preference is granted by the United Kingdom, and producers argue that the lifting of this tariff would reduce Australia and South Africa to pauperism. These circles point out that American preference on Cuban sugar is higher than the British preference on Empire sugar, while Philippine sugar enters the United States free.

Canadian, Australian and Malayan fruit canners, and Southern Rhodesia and India tobacco growers provide the arguments in the other two cases. Tobacco growers point out that while Britain grants a four percent preference on their tobaccos, a more palpable preference is given Cuban cigars by the United States.

Other products likely to arouse controversy include coffee, floor coverings, hardware typewriters and others, and there is evidence that the Empire preference tariffs will not be lifted easily.

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Wild Flurries Boost Gold Bars, Greenbacks To Record Highs

QUOTATIONS in the financial market fluctuated wildly during the week under review when speculators rushed to buy gold bars, American bank notes as well as stocks and shares because of the rumor that China's foreign exchange would be further revised on December 16. Quotations reached the new highs of CNC$3,380,000 for gold on December 13 and of CNC$6,800 for the American dollar while CNC$600 was a current high for Wing On Textile shares.

However, when the rumor was found untrue, quotatoins took a heavy slump on Saturday, December 14. On December 16 (this Monday), gold dropped to CNC$3,010,000, greenbacks to CNC$5,600 and Wing On Textile shares to CNC$498. However, demand by speculators and businessmen in general continued due to the report that around CNC$100,000,000,000 would be granted by the government banks to the various factories as productive enterprise loans. It was also reported that important measures would be taken by the authorities regarding China's finances as a number of important conferences were held in the early part of this week by Dr. T. V. Soong, President of the Executive Yuan, Mr. O. K. Yui, Minister of Finance, Mr. Wang Yun-wu, Minister of Economic Affairs, and other leading financial and business leaders in Shanghai.

3,000 Bars Sold By Bank

No matter what the rumors, they are but reasons or excuses offered by speculators and businessmen for the purchase of gold bars, greenbacks and stocks and shares. The real reason for their buying is the general lack of confidence in the National Currency, the concentration of large amounts of idle capital in town, and the lack of any regular or proper outlet for this huge sum of idle capital. Every rumor has been utilized, therefore, by businessmen and speculators to push up quotations.

Around 2,938 bars were sold by the Central Bank during the week ended December 14 to hold down gold price, of which around 2,000 bars were dumped in the black market. The remaining 938 were sold through the gold shops at the following prices:

Dec.	9	47 bars at CNC$2,900,000.
	10	150 bars at CNC$2,840,000.
	11	190 bars at CNC$2,840,000.
	12	400 bars at CNC$2,960,000.
	13	100 bars at CNC$3,060,000.
	14	100 bars at CNC$3,250,000.

The facts that gold quotations rose very much during the week and that only 2,938 bars were sold by the Central Bank of China were considered by well-informed financial circles to indicate that the Central Bank was not as eager to press down the quotation as some months ago. This explained why the gold quotation again rose to CNC$3,280,000 this Tuesday (December 17).

Rice Up To $64,000

As a result of the great increase in gold prices, the price of rice, which had been quoted below the official rate for many months, climbed above the official price and reached CNC$64,000 per picul on December 16. This increase created considerable anxiety among the working people, who already have exprssed dissatisfaction over the decision of the Bureau of Social Affairs to limit the annual bonus to one month's pay. Unless the price of rice is pressed down immediately by the authorities, more labor unrest in the city is to be expected.

As to commodities, quotations of cotton yarn dropped slightly during the last few days of the past week because of reports that Jap products would soon be sent to Hongkong and would be marketed at far lower prices than Chinese products. Meanwhile, to control black market dealings, the cotton joint sales office to sell their yarn mills have decided to organize a products at prices lower than the market so as to help the authorities hold down yarn quotations.

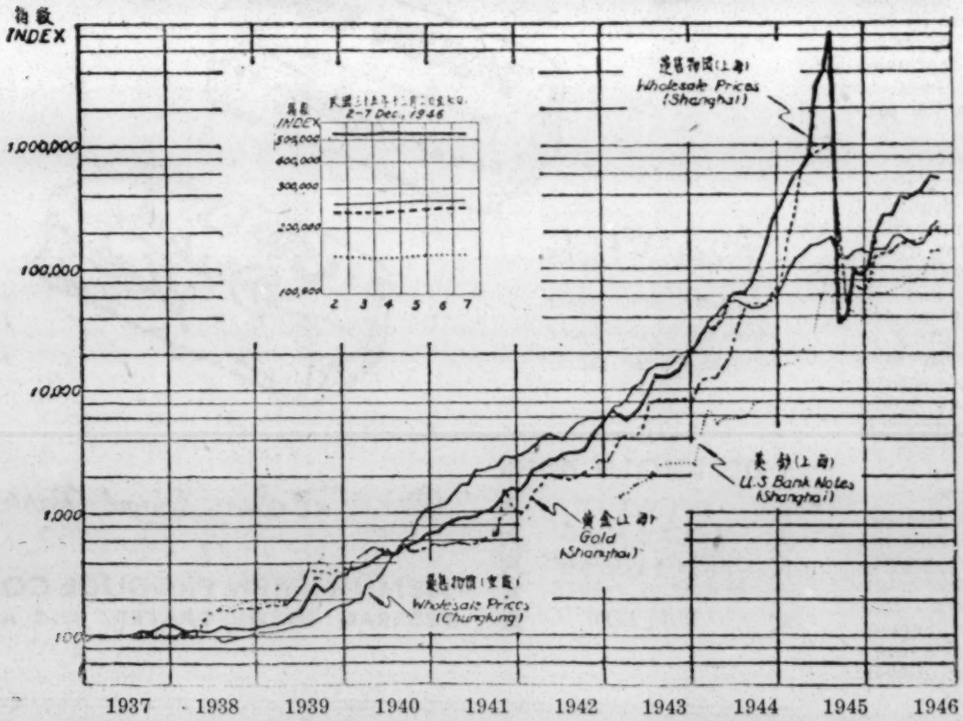
Government Worried

That general economic conditions are very bad can be seen from the numerous reports in the local press regarding the closure of banks, factories and commercial houses both in Shanghai and other ports. That this situation is worrying the authorities greatly can be seen from the fact that Dr. T. V. Soong and other high officials have decided to grant loans to productive enterprises and to take other measures to help the industrial and commercial establishments tide over the settlement day of the approaching Lunar New Year, which falls on January 21, 1947.

Speculation in commodities remains active, especially among industrial chemicals, the local stocks of which are low. It is reported that the price of caustic soda soared to the new record high of CNC$3,700,000 per drum.

The following table gives the quotations of some of the leading commodities during the week:

Indices of Wholesale Prices of Basic Commodities in Shanghai and Chungking, and Price Relatives of Gold and U.S. Dollar in Shanghai



Note: (1) From June, 1942 to Aug.. 1945 in terms of C.R.B. in Shanghai.
(2) From 1937 to March, 1938, T.T. Exchange Rate on New York; 1942 to Aug. 1945 Interpolation Based upon Quotations of U.S.$ in Chungking.
(3) For price relatives of Gold, C.N.C. 116.59=100; for that of U.S. Bank Notes, C.NC. 3.33=100.

	Dec. 7 CNC$	Dec. 14 CNC$
Gold bars	2,887,000	3,140,000
US$ Notes	5,070	5,900
Bond C	1,290	1,370
Wing On Textile	446	498
Ewo Cotton	5,150	6,450
Rice	57,000	60,000
Peanut oil	109,000	116,500
Wheat four	19,500	
20's Yarn	2,350,000	2,550,000
Raw silk	4,100,000	4,700,000
Artificial silk ..	3,800,000	4,200,000
Ruby Queen cigarettes	18,300	22,500
Koo Ban Soap ..	48,800	53,000
My Dear matches	600,000	635,000

GEN. HO YING-CHIN, former Chief of Staff and currently head of the Chinese military mission to UN, will head the Military Strategy Advisory Council of the National Government, according to Minister of National Defense Gen. Pai Chung-hsi.

• • •

WERNER VON BRAUN, the chief inventor of the German "V-2" rocket shell, has accepted an offer to become an American citizen with the help of the army, according to a *New York Daily Mirror* report relayed here by Tass. Von Braun, along with 117 other former German scientists, is reported to be in El Paso, Texas.

• • •

GEN. LEI KE-WEN, representing the Chinese Government, crossed the International Bridge between Manchuria and Korea over the Yalu River to pay an official visit on Maj. Gen. Shtikov, Commander-in-Chief of the Soviet forces in Korea.

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China's Civil War

As Reported Day By Day In The Press

December 11, 1946

CHARGING the Government with a drive on Yenan, Lin Tsu-han, chairman of the Yenan border region, urged the people to "immediately switch over from the stage of mobilization for preparedness to the stage of mobilization for combat." He called for all efforts to be channeled for the front and "to fight for the extermination of General Hu Tsung-nan's troops."

Red units in Hopei province launched their second offensive against Paoting, AP reported from Peiping.

In Manchuria, government reports said, the Reds crossed the Sungari and attacked Chalukuo, 33 miles east of Changchun.

* * *

December 12, 1946

More than 30,000 Red troops encircled Paoting, capital of Hopei, according to the *Hsin Min Pao*.

In North Kiangsu, Government troops were driving past Yencheng toward Funing, 30 miles to the north. Government troops which entered Yencheng two days previously, were driven out by the Reds and the city was reported still in Communist hands, according to UP.

* * *

December 13, 1946

Government sources claimed that the Nationalist offensive in North Kiangsu was "in its final stages," and that the Communists would be mopped up there by the end of the Chinese New Year in January." A *Ta Kang Pao* dispatch from Hsuchow said the Nationalists were conducting a "double-barreled drive on the Communists. This drive threatens the Communist strongholds of Yencheng, Funming, Lienshui and Shuyang.

* * *

December 14, 1946

Yencheng, in North Kiangsu, fell to Government forces the second time in four days, according to the *Hsin Min Pao*.

Keyucheng, 21 miles from Tientsin, was attacked by guerrillas and changed hands for the fourth time when the Communist troops "routed the Government forces and recaptured the town," according to AP.

Fighting also raged near the Marco Polo Bridge, 10 miles west of Peiping.

* * *

December 15, 1946

Central News charged that 50,000 Communist troops, under the command of General Wang Chen, launched an attack against the city of Yulin, only 100 miles north of Yenan. On the other hand, a UP report indicated that this allegation may mean the opening of the Government offensive against Yenan.

* * *

December 16, 1946

The Hsin Min Pao said that the Communists, instead of withdrawing as expected around the area of Dairen, unleashed a powerful attack against the Government-held town of Pulantien, 25 miles north of Dairen.

Gen. Tu's forces had opened a drive against Dairen and were hammering at the Communist-held port, another controversial dispatch in the *Hsin Min Pao*, carried by UP, said.

* * *

December 17, 1946

General Tu, commander of the Nationalist forces in Manchuria, told the press in Mukden, that no further progress toward Dairen had been made by his troops.

Government troops entered the Communist-held town of Linshui, in North Kiangsu, *Central News* reported. The agency said that the Government troops were "invited" by a part of the Red troops to enter Linshui after a split among the Communist forces developed within the city.

Communists Claim Victory

IN spite of the claim coming from Government circles that the Kiangsu campaign was nearing its end and that the Reds would be eliminated there by the end of January, the Communists early this week reported their "11th victory in the Kiangsu-Anhwei region in five months of fighting." The victory consisted of capture of 2,000 troops and elimination of 3,000 officers and men in the area of Yencheng, the Reds claimed. They said these 11 victories inflicted a loss of 90,000 men on Government forces.

U.S. Atomic-Rocket Age Defense Plans Outlined

IN an attempt to anticipate wartime requirements in the atomic-rocket age, the United States is planning new defenses for the Panama Canal Zone, involving control over 4,500,000 square miles of land and sea. This requires close cooperation with Latin American neighbors to carry out the Hemispheric defense agreement which will be discussed at a Hemisphere conference to be held in Rio de Janeiro. Meanwhile the U.S. is working on plans for the Panama Canal.

The U.S. is arranging with individual Latin American Republics for the use of bases in the immediate vicinity of the canal and 1000 miles away in all directions. The idea is to avoid the possibility of a surprise attack.

The hub of the defense system will be bases in Panama to be agreed upon between the two countries. Panama has always looked to the United States for defense. Of the 130 bases operated by the U.S. in Panama during the war, all but 20 will be turned back; they can, however, be reoccupied quickly in an emergency. In the Canal Zone itself the US is improving its defenses; possibly the present lock system will be discarded in favor of a canal at sea level permitting under water control mechanisms and the passage of larger ships.

Outposts to intercept attacks are planned on a perimeter of about 1200 milse from the Canal. Aside from scattered bases in Bermuda, the Azores, Brazil and Hawaii, the main defensive circle will run southeast from Florida through the West Indies to Trinidad, across South America to Peru and north via the Galapagos Islands and Guatemala.

Obviously, cooperation from the Central American countries is essential. The Panama Canal has become a vital military problem for the whole Hemisphere. U.S. military missions have been in 13 Latin American countries this year. Instruction in U.S. methods and the use of U.S. arms has involved about 500 American officers and men in teaching. Latin American officers are to be sent to the United States for instruction in service schools. Goodwill tours are planned for top ranking officers of the U.S. army and navy. Cooperation depends largely upon the carrying out of the Act of Chapultepec of 1945 in which common defense was agreed upon; the conference in Rio which is to follow this up will play a vital part in future plans.

A rising birthrate is reported to be pushing the Soviet Union's population to 200,000,000 mark, *UP* said last week. No specific figures were given, however.

* * *

On November 23, the Canton authorities issued an order forbidding CNC remittances to Hongkong by local banks. They have also requested these banks to list their remittances to the colony between August 1 and November 15, reports of which will be sent to the Central Bank of China.

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TIME TABLE

4	72	6	8	78	2	10	12	車次 TRAIN NO.	1	5	77	7	71	3	9	11
I, II Exp.	I Wusih Excur.	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II N'king Excur. Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	站名 STATIONS	I, II H'chow Excur. Throu. Exp.	I, II III Exp.	II, III Local Exp.	I, II Exp.	I Wusih Excur.	I, II Exp.	I, II III Night Exp.	I, II Night Exp.
7.00	8.30	9.00	11.00	12.30	13.30	21.50	23.00	D 上海 SHANGHAI 北站 NORTH A	14.45	16.25	17.10	19.30	21.35	22.45	6.35	8.00
		10.16	12.14	13.48		23.23		D 昆山 KUNSHAN D		15.24	16.05	18.15			5.28	
8.41	10.09	10.57	12.57	14.29	15.17	0.20	1.06	A 蘇州 SOOCHOW D	13.06	14.33	15.19	17.29	19.42	21.06	4.39	5.39
8.48	10.14	11.06	13.04	14.36	15.26	0.27	1.13	D 蘇州 SOOCHOW A	12.59	14.19	15.09	17.21	19.34	20.58	4.32	5.19
9.36	11.05	11.54	13.55	15.25	16.14	1.22	2.08	A 無錫 WUSIH D	12.11	13.24	14.10	16.27	18.45	20.10	3.39	4.26
9.42		12.06	14.02		16.23	1.29	2.15	D 無錫 WUSIH A	12.04	13.18		16.21		20.03	3.33	4.19
10.31		12.59	15.01		17.09	2.27	3.13	A 常州 CHANGCHOW D	11.17	12.22		15.20		19.16	2.35	3.30
10.40		13.08	15.15		17.19	2.37	3.25	D 常州 CHANGCHOW A	11.06	12.09		15.08		19.06	2.24	3.20
11.38		14.00	16.13			3.56	4.29	A 丹陽 TANYANG D		11.09		14.05		18.12	1.07	2.03
11.41		14.03	16.17			4.00	4.33	D 丹陽 TANYANG A		11.05		13.55		18.08	1.02	2.00
12.18		14.40	17.01		18.46	4.46	5.18	A 鎮江 CHINKIANG D	9.32	10.28		13.07		17.23	0.09	1.07
12.25		14.45	17.17		18.53	4.55	5.27	D 西站 WEST A	9.24	10.21		12.59		17.15	23.56	1.00
13.55		16.10	18.50		20.20	6.30	7.15	A 南京 NANKING D	8.00	9.00		11.00		15.45	22.00	23.00

FARE LIST

(Note:—Fares for Trains Nos. 1, 2, 3, 4, 71, & 72 not included.)

STATIONS	站名	Kilo.	I Class Ordinary	I Class Express	II Class Ordinary	II Class Express	III Class Ordinary	III Class Express
SHANGHAI	上海							
KUNSHAN	崑山	52	4,000.	10,000.	2,000.	5,000.	1,000.	2,500.
SOOCHOW	蘇州	87	8,000.	10,000.	4,000.	5,000.	2,000.	2,500.
WUSIH	無錫	129	10,000.	12,000.	5,000.	6,000.	2,500.	3,000.
CHANGCHOW	常州	168	14,000.	16,000.	7,000.	8,000.	3,500.	4,000.
TANYANG	丹陽	213	16,000.	20,000.	8,000.	10,000.	4,000.	5,000.
CHINKIANG WEST	鎮江西站	243	18,000.	22,000.	9,000.	11,000.	4,500.	5,500.
NANKING	南京	312	24,000.	28,000.	12,000.	14,000.	6,000.	7,000.

滬杭線 SHANGHAI-HANGCHOW LINE

TIME TABLE

23	21	61	67	25	1	41	車次 TRAIN NO.	92	42	2	68	26	22	62	94
I, II III Exp.	West Lake Throu.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	站名 STATIONS	I, II III Local Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Excur.	II, III IV Ord.	I, II III Local Exp.
6.45	8.00	8.15		11.30	16.00	16.15	D 上海北站 SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	
7.05	8.16	8.36	9.00	11.53	16.19	16.36	D 上海西站 SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	
7.49		9.46	10.29	12.38	17.03	17.46	A 松江 SUNGK ANG D	7.51	10.44	11.26	15.29	17.48		21.00	
7.54		9.56	10.40	12.43	17.08	17.51	D 松江 SUNGK ANG A	7.47	10.38	11.21	15.22	17.39		20.54	
9.02	10.02	11.40	12.50	13.50	18.16	19.23	A 嘉興 KASHING D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	
9.16	10.08	11.50	13.15	13.58	18.26	19.33	D 嘉興 KASHING A		8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	D 峽石 YEHZAH D		8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	A 長安鎮 CHANGAN- D		7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	D 長安鎮 TSENG A		7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	A 杭州 HANGCHOW D		6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

(Note:—Fares for Trains Nos. 1, 2, 21, & 22 not included.)

STATIONS	站名	Kilo.	I Class Ordinary	I Class Express	II Class Ordinary	II Class Express	III Class Ordinary	III Class Express
SHANGHAI	上海							
SUNGKIANG	松江	45	4,000.	10,000.	2,000.	5,000.	1,000.	2,500.
KASHING	嘉興	99	8,000.	10,000.	4,000.	5,000.	2,000.	2,500.
YEHZAH	峽石	126	10,000.	12,000.	5,000.	6,000.	2,500.	3,000.
CHANGANTSENG	長安鎮	151	12,000.	14,000.	6,000.	7,000.	3,000.	3,500.
HANGCHOW	杭州	190	14,000.	18,000.	7,000.	9,000.	3,500.	4,500.

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Yenan Commemorates Sian Anniversary

GENERAL Chou En-lai, speaking in Yenan, on the occasion of the 10th anniversary of the Sian incident, said that the incident itself was "the crucial historic turning point in halting the civil war at that time, and set in motion the resistance against Japan." Chou said that the country which had previously entered the war against Japan by emerging from the civil war, has now reverted to the continuation of this civil strife. "This is a historical lesson worthy of everyone's careful study," he declared.

Chou said that Generals Chang Hsueh-liang and Yang Hu-cheng, who were the first to demand a cessation of the civil war and a march against the Japanese invaders, "have been imprisoned for 10 years by Chiang Kai-shek." He said that the people "will arise to pass a just verdict on this case and only the people can really insist on the release of Generals Chang and Yang."

Chou demanded the release of the two generals because they were "men of great achievement in the war of resistance against Japan."

Chou outlined the developments in KMT-CP relations since V-J Day and added: "The people's century has already arrived. The coming of a new high tide of democracy in China is inevitable."

A 12-hour revolt to overthrow the year-old revolutionary regime of President Romulo Batancourt of Venezuela was put down last week by the government forces. The revolt ended without fatalities.

CLARA Wires LaGuardia On UNRRA Allocation

FOLLOWING the local controversy between CLARA's Tung Pi-wu and the Shanghai CNRRA office, in which the distribution of UNRRA supplies was aired, with CLARA charging "discrimination on political grounds," a joint cable signed by Gen. Chou En-lai and Tung Pi-wu was dispatched to UNRRA Director-General Fiorello LaGuardia, reiterating the Reds' charges.

"The UNRRA-CNRRA program operating for more than a year in China has failed to fulfill its announced objectives. It has been used as a political weapon; it has been marked by discrimination, inefficiency, unfair distribution and much actual corruption," the cable said.

In the main, the memorandum used figures to show that the relief and rehabilitation supplies were diverted to the Kuomintang areas while the so-called Liberated Areas failed to receive any substantial portion of these supplies although they contain proportionately a greater number of anti-Japanese war victims.

The cable ended by suggesting that a CLARA delegate be invited to attend the UNRRA Council Session in Washington on December 10 to implement a fair distribution of UNRRA supplies in Communist areas.

BUSINESS FOOT-NOTES

Local flour manufacturers are facing difficulties due to lack of imported wheat, curtailed by measures of the Allied Control Board, the *China Press* reported. The ban on flour exports acts in favor of production and local demand is well covered. The black market price of flour here is slightly lower than the official ceiling price of CNC$20,600 per bag.

* * *

The value of Hirohito's property and the Imperial family of Japan has been estimated to be valued at Yen 1,560,000,000, or roughly US14,000,000, at the official exchange rate. The estimate was made by Minister of State Tokujiro Kanamori in a Diet discussion on the proposed Imperial Household Economy law.

* * *

The new Philippine market code evicting Chinese stall-holders in favor of Filipinos was branded as "a grave injustice" by Alexander Sycip, Chinese attorney in Manila. He said this measure would be prejudicial to public interests. Sycip said at a town hall meeting that the new ruling excludes, despite official assurances to the contrary, all alien stallholders from the public markets.

* * *

The Civilian Production Administration has authorized the construction of four new textile and garment factories and a nylon plant, with total building cost of US$751,000. All textile applications were granted on the grounds that they will increase the production of essential fabric and clothing items. The largest of these is a complete textile plant costing US$650,000 to be built in San Juan, Puerto Rico, by the Puerto Rico Industrial Development Company.

* * *

Soviet authorities across the Yalu River from Antung will furnish the Chinese city with 3,000 kilowatt-hours daily and a similar arrangement for Anshan is now being discussed. The power comes from the 700,000-kilowatt Suifeng power station built by the Japanese at Kuantien on the Yalu River, 300 kilometers above Dairen.

* * *

The United States will pay almost 40 percent of the US$23,000,000 UN budget for 1947, but it was agreed that the Americans would pay no more than 33.33 percent thereafter. This contribution for 1947, which was 10 percent under the original amount asked of the US, was accepted unanimously by a budgetary subcommittee.

* * *

An agreement for the purchase by Japan of surplus US civilian-type military supplies in Japan has been signed by the Imperial Japanese government and the United States Representatives, Major General Donald H. Connelly, Foreign Liquidation Commissioner. Later agreements will be signed in regard to quantities and types of property, and prices and terms of sale.

* * *

A cotton crop of 8,482,000 bales was estimated last week in the final crop report of the Department of Agriculture for 1946, about 5,000 bales less than was forecast a month previously. The figure is 5.9 percent below last year's crop of 9,015,000 bales, and is about one-third smaller than the 10-year (1935-44) average of 12,553,000. It is only 537,000 bales above the 1921 crop, the smallest since 1895.

The new land tax levied upon Chinese and foreign landlords here should be paid to the Land Tax Department before the end of the month, failing which a fine will be imposed, warned Commissioner Ping Chu of the Land Bureau. Those paying taxes in the first 10 days after the deadline will be fined five percent, those paying in the second 10 days will be fined 15 percent, and those in the last third of next month will be fined 20 percent. An additional 20 percent will be imposed on those who are more than a month late.

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Of the 1,200 factories in Szechuen, an estimated 80 percent has closed down, according to the *Lien Ho Wan Pao*.

* * *

Hongkong has become the center of gold smuggling activities because its prices are higher than those prevailing in Mexico and India. The *Sin Wan Pao* estimated that about 3,000 ounces of gold are transported from Hongkong into South China daily.

* * *

The Chinese Government will begin the collection of the Special Excess Income Tax from the first of the next year. This tax differs from the old Special Income Tax. The new levy will affect incomes upwards of 60 and 70 percent of capital on which 35 percent will be charged. Profits exceeding capital by 170 percent will be taxed 30 percent.

* * *

Overseas remittances showed a downward trend in November, causing anxiety in official circles. One of the reasons is the increase in the black market rate of the greenback and the unchanged official exchange rate. Bank of China statistics show remittances have fallen to half of the average US$5,000,000 registered prior to November.

* * *

A night fire in Manila razed Lim Bun Hiok's Plaza Kitchen, the China Drawn Work company and the American-owned Silver Dollar Cafe, with an estimated loss of US$200,000. The fire started at the spot where the Japanese arsonists began the great Manila fire of February, 1945.

* * *

The Ministry of Economic Affairs has proposed to the Ministry of Finance the lowering of certain taxes to lighten the burdens of native merchants and industrialists. A general readjustment of the taxation system has been proposed, the *Ta Kung Pao* reported.

* * *

Belgian industrialists have made agreements with Russian exporters for the supply of Russian cellulose to the Belgian artificial silk industry, *Reuter's* reports from Brussels. France and Hungary are likewise negotiating for Russian cellulose for their artificial silk plants.

* * *

At the third auction held last week by the U.S. Government it is estimated that only about 40 percent of the 4,000 bales of Japanese silk offered was sold. The best grades brought US$10 to US$10.45 per pound, while medium and low grades ranged from US$6 to US$7. The importation of Japanese silk since the end of the war is estimated to have reached 70,000 bales.

* * *

Efforts are being made by the Italian hosiery industry to establish or convert additional facilities to the manufacture of nylon hose. One kilogram of nylon, unprocessed, costs 3,400 to 3,500 lire, as compared with 6,500 to 7,500 lire per kilogram of silk.

What U.S. Papers Say...

THE American press last week discussed China's National Assembly and the Constitution it is to adopt, at great length. There were also comments on the impasse in India as the result of the failure of the London conference.

* * *

CHINA

THE *New York Herald Tribune*, in an editorial entitled "Progress in China," declared that both General Marshall and Ambassador Stuart have been doing their best to encourage the creation of a democratic government in China. "In this endeavor the General and the Ambassador have had the full backing of the State Department, as indicated recently is the strongly worded speech in which John Carter Vincent, chief of the Department's Far Eastern Division, made it clear that the Department frowned on both reaction and corruption in Nanking. It is evident that the Department has been doing its best to retrieve the errors made while Patrick J. Hurley was American ambassador in China."

The paper said that during recent efforts in Nanking to write a constitution the Generalissimo was giving support to moderate and liberal elements in the Kuomintang and there "appears to be hope that the National Assembly will approve a reasonably democratic document."

The journal asserted that "again and again it has been demonstrated in China that the old Manchu cultural and economic pattern—including corrupt officials, avaricious landlords and impoverished peasants—can offer almost no resistance to the Reds except when large and well-equipped armies are available. But it is possible to resist Communism through the use of democratic patterns because the Chinese peasant has such a real enthusiasm for moderate reforms and for a voice in his local affairs."

The *New York Post* noted that the imminent adoption of the constitution signified that China was "finally and decisively split. General Marshall's objective was to prevent a civil war from succeeding the Japanese war in harassed China. To achieve peace he worked to modify the one-party Kuomintang dictatorship in favor of a coalition all-party government accompanied by political freedom.

"Use of a formal constitution to camouflage continuance of one-party dictatorship and the pressing of a blind and senseless civil war would tend to strengthen the influence of Communist totalitarianism in China," the *Post* said.

The *Des Moines* (Iowa) *Register*, said that "the Chinese constitutional convention now meeting turned out to be a one-party affair....the Kuomintang still contains many varieties of opinion all the way from the outspoken liberalism of Dr. Sun Fo to the near-Fascism of the Chen brothers and the military warlordism of such men as General Ho."

The *Denver Post*, discussing the Generalissimo's statement that he had "no more political ambitions" said that it "must be obvious to a man as realistic as Chiang that his nation is little better off today than it was the day he took over from the dying Sun....The nation is split by a much more serious schism—between the Nationalists and the Communists—with no prospect of settlement. China in 1946 is no further advanced industrially; in fact, the nation and people largely are destitute and exhausted from two decades of civil war, in addition to eight years of battling a rapacious invader.."

In less troubled times, Chiang's decision to relinquish the reins and step down in favor of the National Assembly might be hailed as a welcome and long-overdue step, the paper said. "Today, in spite of a deep desire to see China embrace more of the mechanical trappings of democracy, we can only consider such a move ill-timed...."

The paper concluded: "His statement could well be a shrewd move to invite a demand that he remain at the helm. A popular 'draft' would strengthen his hand."

* * *

INDIA

AMERICAN editorials charged Indian leaders with responsibility for possible internal conflict if they should not come to some agreement.

The *New York Times* wrote: "The destiny of India lies in the hands of its own stubborn leaders, they can choose war or peace. If they choose war, they will be accursed by their own and future generations."

The *Christian Science Monitor* said that it was hard to find a rational justification for the Moslem's refusal to give the Assembly at least a chance of working out a compromise that would provide an effective guarantee of Moslem rights....Civil war is not a domestic luxury any more....Implacable violence in India threatens more than British investments; it threatens the precarious balance of the world."

The *Washington Post*, said: "Gloom in India could not be denser..The impasse seems insuperable. It would appear from this distance as if there are hotheads in the Congress Party, who, relying on the Hindu superiority of manpower, would like to take up arms in trying to settle the Hindu-Moslem issue....But it is a monstrous thought to entertain, and unity would, indeed, be a will-o'-the-wisp in such an unhappy event. Mr. Attlee is right, it seems to us, in insisting on a Moslem-Hindu constitution for a freed India.."

The *Detroit News* declared that the "time is passing when blame for any Indian difficulty can be bestowed by the Indians on others....On the contrary, the argument advanced by the British to the effect that the Indians now are unable or unwilling to organize their own independence," is now affirmed.

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What Chinese Papers Say...

SUCCESSFUL conclusion of the Foreign Ministers' Conference at Lake Success, civil war in Iran, the National Assembly's examination of the Draft Constitution at Nanking and the sudden rise of the gold price and the black market exchange rate for the U.S. dollar were some of the more important subjects commented on by the Chinese press here during the last 10 days.

* * *

MINISTERS

The pro-Kuomintang *Shun Pao*, editorializing on the conclusion of the Foreign Ministers' Conference in New York, said, in view of the large amount of international discord and controveries, the achievements were "effective and complimentary." The success, it added, was chiefly due to the reorientation of the Soviet Union's foreign policy, and hoped the other powers can fully cooperate with the Soviets in "an opportunity that might not easily present itself again" in the future.

The paper regretted, however, that the Soviets objected to China's intention to participate in the coming Foreign Ministers' Conference to be held at Moscow and urged that the scope of compromise among the powers be broadened, otherwise, "the future of the world might not be as rosy as most people think."

On the same subject, the liberal *Wen Wei Pao* said the conference was the most successful international conference held since the end of the last war. It asserted the result of the recent French elections has had an "enormous bearing upon the world situation, which changes the equilibrium among the powers," while the British Laborites also had exerted considerable pressure upon Britain's foreign policy.

The daily warned that it does not mean "a complete about-face in the relationship between America and Russia. It has simply done away with a number of factors from which past suspicions and animosities arose." Holding the same opinion as the *Shun Pao*, it added the future will be one full of anxiety since there are a number of "ambitious militarists trying to create a new international crisis." To substantiate its argument, the paper referred to the U.S. military maneuvers in the Aleutians and the Arctic, "British assistance to the Greek Government in waging the civil war," and aid from a "certain foreign source" to the Iranian Government in suppressing the Azerbaijan autonomy movement.

* * *

IRAN

The civil war just ended in Iran was commented upon by the independent *Ta Kung Pao* and the *Wen Wei Pao*. Spectators can see very clearly, the *Ta Kung Pao* said, that "Iran has become a mere puppet being made use of by two great powers without knowing it." Oil-rich Iran is also an important link in the lifeline of the British Empire, "a prize to be fought for by both Britain and Russia in strengthening their respective defense systems," the paper said. It was regrettable for Iran to choose civil war to settle an ancient ill that arose from the more underlying conflict between the USSR and Britain instead of becoming a bridge over the gap between the two powers or remaining wholly independent.

The *Ta Kung Pao* said that most countries in the world, Iran included, have within their borders a number of racial minorities, and the logical thing to do would be to give these minorities, such as the Azerbaijans in Iran's case, enough autonomous rights to safeguard their own interests, yet still being able to keep them as part of the nation as a whole. The situation, though temporarily settled, would be more aggravated since of Iran's 12,000,000 people more than 10,000,000 are on the brink of starvation. The Iranian Government, however, thought it better to solve the Azerbaijan question by force, which will only drive the 100,000 minority group, who naturally cannot remain blind forever to the better living conditions of their Soviet counterparts across the border, into the arms of the USSR.

* * *

DRAFT

Turning to the Chinese scene at home the *Sin Wan Pao*, a government-dominated paper, declared that now that the European problem will be solved soon, it is possible that the situation in which two blocs of nations have been opposing each other will also be shifted to the Far East, meaning China in particular. The paper, therefore, urged that the adoption of a Constitution for China be completed as soon as possible and that the adopted document be an instrument able to meet with the needs of the times.

The *Ta Kung Pao*, on the other hand, charged that there exists a tight group of Kuomintang delegates whose purpose is to throw out the inter-party PCC clauses from the Draft Constitution and to keep as much of the original May 5 draft as they can, despite dissuasion by President Chiang Kai-shek. This group has already succeeded considerably, the paper said, as seen in the amendment of Article One which now reads, "The Republic of China is a democracy of the Three People's Principles," thus legally establishing the relationship between the Kuomintang and the Republic. The amended chapter concerning the NA now reads, "The National Assembly is the highest organ which exercises governing power on behalf of the people of the Republic of China." It now seems plain that "both the PCC resolutions and President Chiang's assurances have been shaken," the paper said, and added that the NA has reached a crucial stage.

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EVENTS IN BRIEF

Deposits of uranium ore were discovered and mined in the Haicheng sector of Liaoning by the Japanese during the war, the *Ta Kung Pao* reported last week. The Japanese, the report added, spent a great deal of money in exploiting the deposits and shipped 1,000 tons of the atomic energy producing ore to Tokyo.

* * *

Despite a two-thirds majority decision at the National Assembly session to move China's capital to Peiping, Generalissimo Chiang Kai-shek and other high officials decided last week that Nanking will remain the nation's capital. It was pointed out that Dr. Sun Yat-sen originally chose Nanking to be the seat of the National Government.

* * *

Three American advisor-experts have left on a flying tour of the Yellow River to study the possibility of harnessing China's Sorrow. Particular attention will be paid to areas adjacent to Lanchow, Sian and Kaifeng, it was announced.

* * *

Eleventh War Zone spokesman Gen. Hu Chung-ching denied reports that the Chinese authorities in Tientsin "are driving Korean nationals to repatriation ships against their will," saying that such allegations were unfounded. The charge might have been based on the Tientsin Government's recent order to ship all Korean dancers and prostitutes from the port.

* * *

The Chinese Association of Labor, meeting here last week to effect reorganization of that body, accepted the resignations of Chairman Chu Hsueh-fan and Secretary-General Lu Ke-ming, and appointed An Fu-ting and Sun Ting to succeed them. Fomer Chairman Chu was last reported convalescing in a Hongkong hospital.

* * *

One hundred thousand Canadian rail sleepers ordered by the Ministry of Communications have arrived at Chinwangtao, of which half the number will be sent to the Manchurian railways and the remainder to the Peiping-Hankow line, the *Ta Kung Pao* reported. Manchurian railway authorities, the paper added, have been tearing down part of the railway network to repair the rest.

* * *

In a stern note the British Government has demanded an apology from Albania within 14 days and compensation for damage and loss of life caused by "unprovoked attacks" on vessels of the Royal Navy in the Corfu channel, including shelling by Albanian shore batteries. If the ultimatum is not met with by December 23 Britain promises to lay the matter before the United Nations Security Council.

* * *

After a lapse of 70 years Holland has sent its first whaling expedition to the Antarctic, hoping to return with about 20,000 tons of whale oil next March, the Netherlands Consulate-General here announced. Altogether there are 15 expeditions, including one from Japan, fishing for whales in the Antarctic this year.

* * *

Five observers from the Spanish Republican Government in exile last week attended a plenary session of the United Nations Educational, Scientific and Cultural Organization, which was then debating on the body's 1947 budget. The observers received a warm welcome.

Looting and general lawlessness were reported prevailing throughout the Arakan area of Burma last week, while unofficial reports identified the "disturbed state" as a "rebellion" against Indian laborers there. The Burmese Government, it was learned, has announced its inability to protect the Indians in the area.

* * *

Cairo police last week were ordered to fire on any suspicious-looking persons loitering in public buildings and residences of ministers and high officials as a result of recent bomb attacks against some government officials' homes.

* * *

The majority of British doctors do not want to take part in Britain's nationalized health services, the British Medical Association announced last week after polling on the subject. Of the total of 58,000 doctors 81 percent voted, with 23,110 against and 18,972 for nationalization.

* * *

The U.S. Army estimated last week that it will take US$1,503,784,000 to defray its 1947 occupation costs throughout the world.

The Big Four Foreign Ministers Conference in New York last week agreed on the creation of a 12-nation commission to keep check on the operations of Trieste, thus assuring the United States and other powers a permanent voice in the management of the free port's economic affairs.

* * *

A Nazi-like movement to seize the U.S. Government and exterminate all Negroes, Chinese, Jews and other racial minorities in America was last week exposed by a pretty girl of 24, Renee Forrest, and other secret agents of the Anti-Nazi League. A grand jury has begun session to investigate the organization, the Columbians, Inc., in Georgia.

* * *

College professors of the two famous universities of Tsinghua and Peking have appealed to Nanking for better treatment, while it was learned that most of them are in such financial straits that their stoves remain unheated despite subzero weather.

* * *

Britain, the only big power with an ambassador in Madrid, will recall its envoy from Spain in conformity with the UN General Assembly request to withdraw their admbassadors and ministers from the Franco regime. The only ministers likely to remain after the UN request has been carried out will be those of Eire, Portugal, Switzerland and the Vatican.

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Who's Who in China

O. S. LIEU, industrialist, merchant, philanthropist and government official; born at Shanghai, Kiangsu; 1888; studied at St. John's University, Shanghai, left before graduation to enter into business, and later was given honorary degree of

O.S. Lieu (Liu Hung-shen)

（劉鴻生）

LL.D. by alma mater; general manager, China Merchants' Steam Navigation Company, 1932; councillor, Shanghai Municipal Council, 1930-33; general manager of Kailan Sales Agency, Shanghai Portland Cement Company, China Match Company, China Wool Manufactory, China Coal Briquette Co., and director, China Development Bank, Shanghai, founder of Tinghai Public School, Tinghai Girls' School and Tinghai Hospital, Tinghai, Chekiang, and the Thibet Road Hospital, Shanghai, 1920-36; founder and manager, Great China Match Company, Hongkong, director, Monopoly Administration of the Ministry of Finance, general manager, Match Monopoly Corporation, China Woolen and Worsted, Ltd., Foong Yu Match Company, chairman, China Chemical Industries, and chairman and general manager, Hwa Yih Match Company, Ltd., Chungking 1938-45; director of operations, CNRRA, and concurrently, director, Shanghai Regional Office of CNRRA; chairman of board of directors, China Merchants' Steam and Navigation Company, National Shipping Administration, and the Ningpo Merchants Guild; vice president, National Red Cross Society; member of the Advisory Committee, Shanghai Municipal Government, International Economic Association of China, and board of directors, St. John's University, 1946; address: c/o CNRRA or China Merchants Steam and Navigation Company, Shanghai.

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PEOPLE IN THE NEWS

SIR RALPH STEVENSON, British Ambassador to China, stated in a speech to the students of Wuhan University that the United Kingdom is willing to supply China with whatever she requires. The British people are still suffering many of the shortages which existed during the war; then Britain assisted China whenever she could and her policy has not changed.

* * *

PRIDI BONOMYONG, former Premier of Siam, has been presented with the Medal of Freedom with Gold Palm by the US War Department, for his leadership of the resistance movement. The citation read: "He protected Allied agents in Siam so successfully that not a single agent was captured by the Japanese."

* * *

DAMON RUNYON, beloved "genre" chronicler of New York's Broadway and Cauliflower Canyon, died on December 10 in New York, at the age of 62. Runyon endeared to his readers "characters," slightly shady or otherwise, among race-track bookies, around the dice table, and in honkey-tonk theaters. His colorful contributions to American slang were numerous.

* * *

HENRY A. WALLACE, in his new capacity as editor of the *New Republic*, called upon progressive elements in the United States to attempt to rebuild the Democratic Party, and failing that to strike out along other lines. The former Secretary of Commerce did not suggest a third party specifically, but the implication was there.

* * *

KING GUSTAV OF SWEDEN awarded Nobel prizes to five Americans and one Swiss. The winners are: Dr. P. W. Bridgeman of Harvard University, for physics; Dr. James B. Sumner of Cornell University and Drs. John H. Northrop and W. Stanley of the Rockefeller Institute, for medical research and chemistry; Dr. Hermann J. Mueller of Indiana university for medicine; and Hermann Sesse of Switzerland for literature.

* * *

MANUEL A. ROXAS, President of the Philippines, told a mass meeting that Americans must be granted equal rights in the development of Mindanao, otherwise, "we will never benefit from our tremendous natural resources."

* * *

GEN. DOUGLAS MACARTHUR received the Grand Cross of the French Legion of Honor in a ceremony last week at the French mission headquarters It was presented by Lt. Gen. Z. Pechkoff, head of the French mission, on behalf of his government.

* * *

JOHN DEWEY, American philosopher, was married to Mrs. Robert Grant. Dewey is 87 and his wife 42. He is probably the best known living American philosopher.

* * *

DEAN ACHESON, U.S. Under Secretary of State, reaffirmed in a press conference last week that the United States is determined to bring independence to Korea. "American policy toward Korea is the same as always—to bring about a unified, free and democratic country—and we intend to stay there until we are successful."

* * *

LT. GEN. HWANG CHIEH, acting commandant of the Central Training Corps, declared at a press conference that the demobilization scheduled to have been completed by December of this year has not been carried out, due to unsettled political conditions. He estimated that there had been approximately 450,000 officers in the Chinese Army of whom 150,000 have been demobilized already; 150,000 more will be demobilized when conditions permit.

* * *

AMERICAN MAJ.-GEN. LOWELL W. ROOKS was last week nominated by UNRRA'S cental committee to succeed Fiorello LaGuardia as director-general from December 31. His task will be that of liquidating the organization's various functions and finishing delivery of supplies by March 31 next year.

* * *

U.S. SECRETARY OF STATE JAMES F. BRYNES in a speech before the UN General Assembly last weekend declared the presence of American troops in China is at the request of the Chinese Government. Their task of carrying out the surrender terms and repatriating the Japanese troops is nearly completed, Byrnes added.

* * *

BENJAMIN KIZER, former UNRRA China director, declared at an Institute of Pacific Relations meeting in California that China's life blood was being drained and the nation pushed to the verge of bankruptcy because the Central Government continued to maintain an army of 5,000,000 men.

* * *

MORRIS WATSON, editor of a CIO (Congress of Industrial Organizations) longshoremen's paper, also speaking at the IPR meeting, wanted American troops out of China as "China is not an enemy. Our troops can be there only to back one side against another." He also considered "Generalissimo Chiang a fascist and the Kuomintang a fascist regime."

* * *

BRITISH FOREIGN SECRETARY EARNEST BEVIN said before leaving New York for London that the Foreign Ministers' discussions had "cleared away a good deal of debris, misunderstanding and conflict, and we can now proceed to lay the foundations of a durable peace." He added, "The sun of peace is rising," and expressed the hope that it would come out full in 1947.

* * *

PANDIT JAWAHARLAL NEHRU, head of the Indian interim government, put forward a resolution demanding India be proclaimed a "sovereign, independent Republic" and the formulating of a constitution for an "Indian Union" by the Constituent Assembly.

* * *

TAN KAH-KEE (Chen Chia-keng), prominent Singapore industrialist and overseas Chinese leader, told the press last week that he had seen "with my own eyes the extreme controversy between the Kuomintang and the Communists in China, and I am convinced that it is impossible to reconcile their differences."

* * *

GENERAL PAI CHUNG-HSI, Minister of National Defense, told the National Assemblymen examining the Mongolian and Tibetan local government systems that the National Government would maintain Tibet's political status quo as had been requested by the Tibetan delegates.

* * *

DR. C. T. WANG, 65, onetime Chinese premier and veteran diplomat, was last week married to Mrs. Dorothy A. Liu, 46, widowed daughter of Sir Shouson Chow of Hongkong, here.

NEW BOOKS OF INTEREST

A Better World

HIROSHIMA REVISITED by John Hersey. New Yorker Magazine, New York, August 31, 1946. Review-Article by Vincent Martin.

IN their issue of August 31, the editors of the *New Yorker Magazine*, who probably revere their format as jealously as most magazine editors, discarded completely their customary columns of dry humor and sophisticated fiction. They became so impressed with a lengthy article by John Hersey describing the havoc which the first destructive use of nuclear fission wrought on the Japanese city of Hiroshima that they utilized their entire magazine to bring its 26,000 words to the public. The editors stated that they took this unprecedented step "in the conviction that few of us have yet comprehended the all but incredible destructive power of this weapon and that everyone might well take time to consider the terrible implications of its use."

John Hersey has undeniably written a powerful piece of reportorial prose. He has skillfully woven the experiences of six Hiroshima survivors into an account of horror, heroism and pathos which will succeed in shaking the most worldly reader.

100,000 Killed

In Hersey's words: "A hundred thousand people were killed by the atomic bomb, and these six were among the survivors. They still wonder why they lived when so many others died. Each of them counts many small items of chance or volition—a step taken in time, a decision to go indoors, catching one streetear instead of the next—that spared him. And now each knows that in the act of survival he lived a dozen lives and saw more death than he ever thought he would see."

In times of incomprehensible crisis, men react in many different ways. Some recoil in fear, some are shocked into a lethargy of despair, to some the problem of personal survival becomes selfishly paramount, in some few the plight of those less able to help themselves inspires bursts of altruistic energy and drive. Of this latter group are the Reverend Mr. Kiyoshi Tanimoto, pastor of the Hiroshima Methodist Church, who poled a small boat back and forth across one of burning Hiroshima's rivers ferrying the wounded to safer areas, and Dr. Terufumi Sasaki, a surgeon of the city's modern Red Cross Hospital, who worked inadequately equipped with a pair of borrowed spectacles for three days with only one hour's sleep to help bind the wounds of the thousands of victims.

Disasters Overwhelming

Father Wilhelm Kleinsorge, a German priest of the Society of Jesus, somewhat weakened by the inadequate Japanese diet and a current diarrhea, became rather dazed and apathetic in the face of so much cumulative distress, and was unable to act much farther than the needs of his fellow priests and the Society's immediate charges. Dr. Masakuzi Fujii, who enjoyed luxurious leisure and affected imported brands of whiskey to impress his friends, was relieved of any community responsibility by suffering multiple fractures and abrasions entailing a period of enforced and painful leisure.

Miss Toshiko Sasaki, personnel clerk of the East Asia Tin Works, made countless journeys across the borderline of consciousness as she lay for three days without food or water with an unattended mangled leg. Mrs. Haysuyo Nakamura, a tailor's widow, became slightly incoherent in her inability to comprehend her overwhelming personal disasters.

The choice of two doctors and two men of religion in a total of six main characters can be criticized as giving a top-heavy representation to the middle class. It may of course be argued that eyes which witness as tremendous a spectacle as this would have little inclination to report their impressions with regard to social distinctions. The thing will be said to have been so far beyond the comprehension of the brains which recorded it that criteria relative to economics would be ridiculously inadequate as a measure of judgment.

Food, Shelter And Survival

With regard to the phenomenon of the explosion itself this argument is perhaps valid. But concerning the problems of food, of shelter, of comfort, of survival, eyes attached to a proletarian pocketbook see different things and judge things differently than those conditioned to more security. Problems of survival are phenomena which are definitely not beyond the comprehension of the submiddle class; such difficulties are most often pushed upon these people and surely they warrant an expression regarding the new era of atomic suffering. We miss the opinions of the worker who propped the sheet of tin against a wall as a shelter for the injured Miss Sasaki; we wonder how they would differ from the owner of the East Asia Tin Works.

A modern author who fails to reduce mass suffering to the level of the mass has not filled his assignment to its greatest possibilities, has not painted a complete picture.

But despite this lack, Hersey's exceptional descriptive abilities have managed to give us a graphic account of the disaster in the relating of the experiences of the survivors he has chosen.

In view of this, it must be admitted that John Hersey is a competent reporter. It may well be suggested that his article be made required reading for all inhabitants of the new atomic world.

Physical Richly Painted

But most unfortunately it cannot be assumed, as the editors of the *New Yorker* have so hopefully expected, that the article will lead everyone to "take time to consider the terrible implications of its use." For it offers no hint as to the path to follow in trying to recognize and comprehend the significance of the horror it paints. And it is on this all-important ground that John Hersey has failed to realize his potential in what should have been his task.

Precisely as in his "A Bell for Adano," Hersey has taken a subject which is teeming in social significance, has painted the physical picture in rich overtones, has stirred the reader as few modern authors are able to do, instilling him with the excitement of imminent discovery. He has indeed impressed the reader with the "all but incredible destructive power of this weapon," but then he has set aside his typewriter without attempting to name the azimuth toward which the discovery of its significance lies.

His article remains as a piece of surrealism on display in a gallery; each of 10 viewers will maintain that his personal interpretation of its meaning is correct while the other nine are of course in error.

Thus it will be possible for Senator Capper of Kansas, ranking Republican member of the Senate Foreign Relations Committee, to travel along Hiroshima's streets in Hersey's prose and remain convinced that this picture of destruction had immeasurably strengthened the opinion he expressed the week following the announcement of Hiroshima. "The article," he might well comment, "portrays the all but incredible destructive power of this weapon, and it must serve to convince everyone that the United States cannot dare to risk allowing other nations to share this knowledge. To protect our great American democracy from totalitarian delusionists, we must keep the secret to ourselves." Senator Capper might even invite Hersey to testify before his important committee.

Thus also certain humanitarians, convinced that they are acting the realists because they have not gone all the way and suggested the outlawing of way itself, might say firmly: "The all but incredible destructive power of this weapon, so vividly shown in Hersey's article, must convince everyone that immediate efforts should be taken to outlaw the atom bomb, just as sensible humanity outlawed the use of poison gas."

Horror Convincing

Thus also the editors of the *New York Herald Tribune*, as they maintained in a post-Hiroshima editorial, might again suggest: "Retained in the hands of the Security Council, the atom bomb, the almost incredible destructive power of which is so graphically described in Hersey's article, would have a terrific deterrent effect. No nation would be likely to pursue forbidden courses if it knew that a couple of airplanes could next day obliterate the heart of its capital city." And Senator Carl Hatch of New Mexico, agreeing in this negative "big stick" philosophy, might read Hersey's entire article into the Congressional Record as evidence that his opinion is unquestionable.

And thus again, the all too prevalent sluggards, pleasantly unconscious of any necessity to tax their personal mental processes, could declaim: "The all but incredible destructive power of this weapon makes war impossible. The world cannot tolerate another conflict. We just can't let it happen, that's all." And that's all.

Without question, Hersey's description will convince the reader that atomic warfare is certainly horrible, but the mere realization of its horror is not enough to prevent its use. History must have made it apparent that there is no validity in the concept that if war is made horrible enough and is brought close enough to civilian populations it will thereby cease. The airplane and the high explosive bomb were expected to accomplish the prevention of World War II in this very manner. In the wars of the Sudan, the British Parliament was so horrified by Kitchener's use of the newly perfected machine gun against the Mad Mullah that a member of the House of Commons was prompted to state: "Surely now, war has become so terrible that it can no longer be tolerated by thinking people." Doubtless even the designer of the first catapult which was used to hurl boulders over the besieged walls of a feudal noble proclaimed "There's no defense against it. If warfare continues, this weapon will mean the end of the world."

New Tactics Being Evolved

The prevalent opinion that there can be no defense against the atomic bomb guided to its target by advanced utiliza-

tion of electronics and jet propulsion is just as blind to the future as that of the catapult designer. Granted that within the limitations of walled-castle warfare, the catapult made that particular type of defense obsolete, new tactics nevertheless arose which were sufficient to cope with the threat. Likewise progressive military circles today, recognizing the obsolescence of present strategy, are evolving revolutionary tactics of dispersal and mobility to diminish the threat of atomic warfare.

"Troops of the Future," headlined in the *Shanghai Evening Post* of December 2, "To Be Protected Against Atomic Warfare" hints that military leaders are planning. They have already declared the military untenability of the city, of are closely integrated factory, of the battleship and of other cherished conceptions of total war in the past.

Granted also that the results of waging war in the future will follow the past pattern and become progressively more and more horrible in spite of new defense measures, this progression of horror is not at all limited by the point at which the world realizes that war is terrible and per se no longer to be tolerated. The world has passed this point innumerable times. Regardless of the basic desires of its people, any aggressive government will continue to plunge its citizens into war whenever it thinks there is a good chance of its winning.

Alternate Limits

For although the mass is perhaps sufficiently impressed with horror, most governments are not. And governments which do not represent the fundamental will of its population possess sufficient devices of propaganda, suppression, violence et al to force its people into war.

The progression of horror in war has rather two alternate limits:

1) Some eventual holocaust will succeed in entirely destroying mankind, or, if we hold the belief that man is indestructible, will set his civilization back so far on the road of knowledge that the world will be forced to re-travel its long journey past the discovery of fire, the evolvement of tools and machines, the harnessing of steam, arriving again at the discovery of nuclear energy. And perhaps the next time around, man will be able to keep his social equipment in a condition adequate to cope with the responsibilities of the power of his physical tools. Or,

One Alternative

2) The alternative to this unhappy picture is for civilization to begin systematically to reduce and eventually eliminate all the causes for war. The removal of artificial trade barriers and the disavowal of the fallacious economic reasoning which prompts them; the curbing of fascistic tendencies in authoritative governments; the expansion of people's governments and popular movements throughout the world; the repudiation of racial discriminations; the abandonment of political and economic imperialism.....these are all advisable temporary stopgaps to diminish the likelihood of world conflicts in these next few decades, but they should be recognized as temporary.

For just as there has now occurred a revolution in science, there must also occur a revolution in mankind's entire social and political thinking. The destruction of Hiroshima is the first manifestation of the opening of a new scientific age; it should also serve to impress upon us the fact that the greatest (and at present the most urgent) field for inquiry lies not now in the physical sciences but rather in the understanding and control of human behavior. It must be apparent that if we are long to survive our triumphs over the material world, we must succeed in accomplishing an understanding of human psychology so as to apply these triumphs to the world's benefit.

Curiously enough, probably the best chance that man has yet had to meet these problems with an effective tool lies in the very weapon that has so recently made it advisable to meet them. The atomic bomb is but a destructive utilization of nuclear energy; the promise held in the harnessing of this new mechanical power for constructive use should be great enough to point the way to the solution of all our social problems. The use of nuclear energy is not only an impetus for finding the cure for the world's ills, it is also the greatest instrument yet to be presented for civilization to use to this end.

We have all heard of the great power of nuclear energy—how it will be possible to run a steamship across the ocean on the energy released from a teacup of water, how one lump of coal will suffice a train from New York to San Francisco and return. These statements are not the fantasy of a "science fiction" writer, they are verified by the best accredited scientists of today. And their accomplishment need not be measured in terms of centuries but actually in terms of years.

Utopia At Last?

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and easy to obtain. What better way to settle the conflicts involved in the division of labor and inequitable rewards for work done than to make all economic slavery unnecessary. What better tool for a better world than easily obtained, unlimited power of the split atom.

And what worse way to insure that the blessings of this new discovery fall equally to the whole people of the world than to entrust its keeping to any group smaller than the whole people.

The question then becomes "Who is to control the development of the potentialities of this new discovery?" Is it to be the owners of large chemical plants? The financers of great industrial enterprises? The bargainers of international cartels? The military departments of one or two particular governments? Is it to be this type of control, by men who measure every value in the world in relation to power over other men?

An International Find

There is no doubt that some Anglo-Canadian-American chemical cartel could utilize the splitting atom to produce a world of luxury and ease and to lighten the labor of mankind. But does this represent the type of "control over his own destiny" for which man has so long hungered?

The best hint as to how to develop nuclear energy for peacetime uses comes in noting how it was discovered and developed in the first place. No one country, no single race, no particular economic stratum was able to furnish all the knowledge necessary. Hahn, German; Meitner, Jewish woman; Bohr, Dane; Fermi, Italian; Rutherford, New Zealander; Kapitza, Russian; Lawrence, American—these are a few of the many international names in connection with nuclear physics.

Regarding this aspect of atomic knowledge, Mrs. Franklin Roosevelt noted "that the way the work was done sets a pattern for the way in which in the future we may be able to work out our difficulties....by learning to cooperate and by using the best that each one of us has to contribute to solving the problems of this new age."

Senator Brian McMahon of Connecticutt was not far from this pattern in his suggestion to the President of the United States "that he propose to the United Nations the formation of a group, similar in scope and ability to that formed to work on the atomic bomb, and to provide for a central coordinated direction of such a group to the end that the united energies of the scientists of the world be combined in an effort to discover causes and cures for the deadly diseases of the world."

Cure For All Ills Seen

As for disease of the flesh, likewise for other ills of mankind: the cancer of an undernourished pocketbook, the malignancy of an unsatisfied stomach, the leukemia of the overworked back—cures for these as well are within the reach of the pooled energies of the scientists of the world working with nuclear energy.

There remains only to evolve the political machinery for the application of the benefits of this new power. It is for the United States, since this nation has in effect the biggest voice in atomic affairs, to take the lead in positive action of this sort. Unfortunately it appears that the present international politicians of the U.S. are incapable of much other than acting along the negative lines of parry, thrust and check. It is then for the people of the United States to insist that a plan of positive importance be put into action by their international statesmen. It is for the press to inform the people of as much, if not more, of the constructive potential of nuclear energy as it has in the past impressed them with the effects of its destructive use.

For the atomic bomb, the almost incredible destructive power of which is so potently told in John Hersey's article, holds, in its constructive application, the greatest opportunity for a peaceful future that the world has yet seen. Given the effective handling of the harnessing of its mechanical energy, civilization will be able to cure all its known social ills. It is here that we find the meaning of the atomic bomb—in the promise of nuclear energy.

Herein lies the significance of Hiroshima.

The 48-nation UNRRA Council meeting in Washington has unanimously adopted a compromise resolution to "make every effort" to complete the present relief programs in Asia and Europe, also providing that future changes in programs may be made on the comparative needs of the receiving nations.

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The *Hsin Min Pao* has reported that unmarked planes were supporting the Communist troops in fighting with government forces north of Dairen, quoting unconfirmed dispatches from Mukden.

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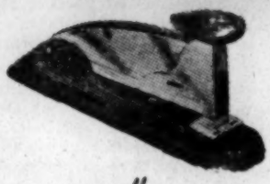

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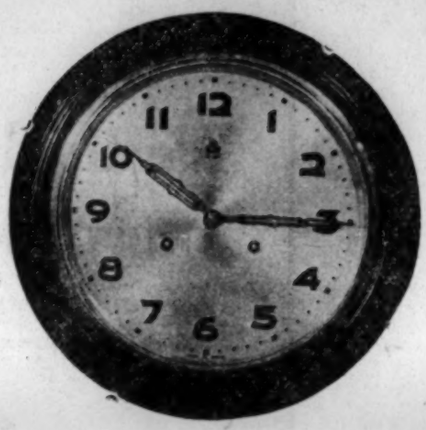

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